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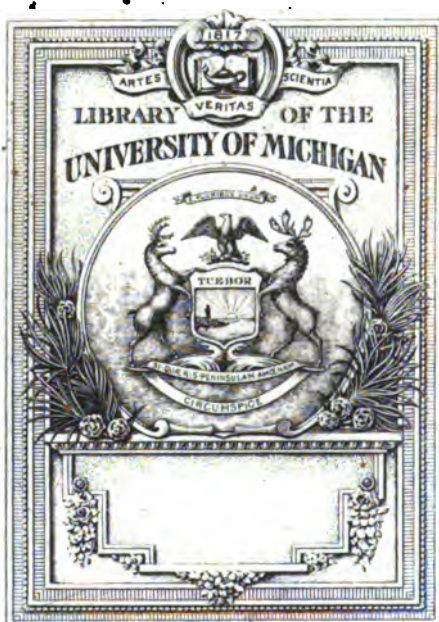
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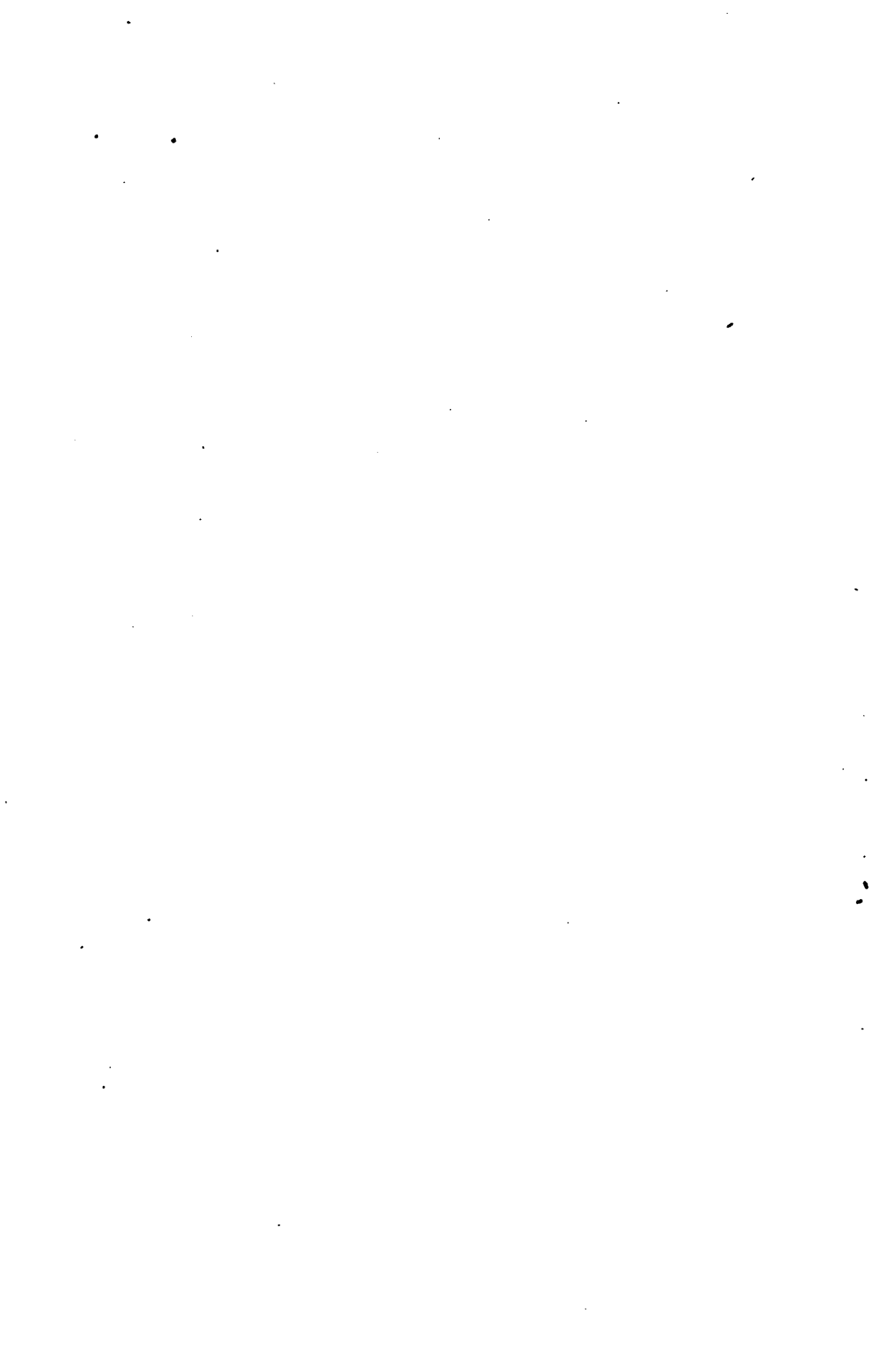


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*Texas Legislature. Senate*

# JOURNAL

OF THE

## SENATE OF TEXAS

OF THE

Second Called Session

OF THE

THIRTY-THIRD LEGISLATURE

Convened August 24, 1914, and Adjourned  
September 22, 1914



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# SENATE JOURNAL.

THIRTY-THIRD LEGISLATURE—SECOND CALLED SESSION.

## FIRST DAY.

Senate Chamber,  
Austin, Texas,

Monday, August 24, 1914.

In obedience to the call of His Excellency, Hon. O. B. Colquitt, Governor of the State of Texas, convening the Thirty-third Legislature in second Special Session this the 24th day of August, 1914, the Senate met in the Senate Chamber of the Capitol in the city of Austin, at 10 o'clock a. m., and was called to order by Senator V. A. Collins, President Pro Tem. of the Senate, elected at the close of the First Called Session of the Thirty-third Legislature.

## ROLL CALL.

The Chair appointed W. V. Howerton Temporary Secretary and directed the roll called. A quorum was announced present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of De Witt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Westbrook.
Harley.	Wiley.

Absent.

Clark.	Morrow.
Hudspeth.	Willacy.

Prayer by Rev. H. M. Sears of Austin.

## PROCLAMATION BY THE GOVERNOR.

The Chair had the following read to the Senate:

Whereas, On account of the lack of

storage facilities in this State, many hundred thousand bales of cotton are stored in open yards, resulting in loss and damage to the owners, estimated in Texas for the last season at several million dollars; and on the account of the unexpected outbreak of war between the nations of Europe which consume annually over forty-five per cent of the cotton crop of the United States, the market for cotton is greatly curtailed, thus making some provision for storing and holding cotton in good condition and enabling the owners to borrow money on it at reasonable rates, imperative. There being no adequate law providing for the building and operation of warehouses at the public expense by cities and towns of the State, or by individuals and corporations under bond, and the need for such a law being apparent, justifies an extra session of the Legislature of Texas to act upon this very important matter. Before the meeting of the regular session of the Thirty-fourth Legislature, the cotton crop will have been picked and prepared for market. To delay action, therefore, until the regular session of the Thirty-fourth Legislature would result in great loss and injury to the cotton producers and the public generally.

Now, Therefore, Being desirous in every way possible to aid and assist the producer of agricultural products, and provide facilities for storing and holding the products of the farm; the extraordinary conditions above referred to justify the Governor to convene the Legislature in extra session, and I do hereby call the same to convene at the Capitol in the city of Austin, beginning at 10 o'clock a. m., Monday, August 24, 1914, for the following purposes, to-wit:

1. The enactment of an adequate law providing for a system of public warehouses, and for the enactment of an adequate law providing for a system of bonded warehouses in which the agricultural products of this State may be stored and safely kept under public guarantees, or under bond.

2. To consider and act upon such other matters as may be presented by



the Governor, pursuant to Section 40, Article 3, of the Constitution of Texas.

In Testimony. Whereof I hereunto sign my name and affix the Seal of State, at Austin, Texas, this the 15th day of August, A. D. 1914.

O. B. COLQUITT,  
Governor of Texas.

By the Governor:

F. C. WEINERT,  
Secretary of State.

#### TEMPORARY ORGANIZATION.

The Chair announced the appointment of the following temporary officers:

Secretary, W. V. Howerton, of Travis county; Journal Clerk, R. M. Gilmore, of Van Zandt county; Sergeant-at-Arms, M. F. Hornbuckle, of Bosque county; Doorkeeper, Capt. E. I. Kellie, of Jasper county; Calendar Clerk, J. C. Stanberry, of Tarrant county.

#### SIMPLE RESOLUTION.

Senator Watson offered the following simple resolution:

Whereas, The Honorable Will H. Mayes has tendered to the Governor his resignation as Lieutenant Governor, and

Whereas, Said resignation has been accepted and there is now a vacancy in that office, and

Whereas, The Honorable V. A. Collins was, at the end of the First Called Session of the Thirty-third Legislature, elected President Pro Tem. of the Senate, and,

Whereas, The question has been raised as to whether or not as such President Pro Tem. the said Honorable V. A. Collins has succeeded to the office of Lieutenant Governor of Texas or whether he is vested only with the powers and duties made incumbent on the Lieutenant Governor during the time intervening between the resignation of the Honorable Will H. Mayes and the election of the President Pro Tem. at the beginning of the Second Called Session of the Thirty-third Legislature; therefore, be it

Resolved, That the Senate request that the Honorable B. F. Looney, Attorney General of the State of Texas, give the Senate an official opinion at the earliest practicable time possible, of his department as to the status of said Senator Collins, and whether or not the said Senator Collins will, under the Constitution and laws, have any power or authority vested in

him after the election of President Pro Tem. other than vested in other regularly elected members of the Thirty-third Senate.

The resolution was read, and

Senator Brelsford moved that the same lay on the table subject to call.

Senator McNealus moved, as a substitute, that the resolution be tabled.

Pending discussion on the above motions, a committee from the House appeared at the bar of the Senate and announced that the House was organized and ready for the transaction of business.

Action recurred on the pending motions, the question being on the substitute motion by Senator McNealus to table the simple resolution by Senator Watson.

#### MEMORIAL RESOLUTION.

Pending further discussion, by unanimous consent, Senator Terrell offered a memorial resolution anent the death of the late Hon. A. M. Kennedy.

The resolution was read and unanimously adopted by a rising vote. The resolution will be found on separate page.

#### RECESS.

Senator Nugent moved that the Senate recess until 3 o'clock today.

Senator Watson moved, as a substitute, that the Senate adjourn until 10 o'clock tomorrow morning.

Action recurred on the motion to adjourn first, which motion was lost by the following vote:

#### Yeas—6.

Astin.	Harley.
Bailey of DeWitt.	Terrell.
Bailey of Harris.	Watson.

#### Nays—17.

Brelsford.	McNealus.
Carter.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Townsend.
Greer.	Warren.
Hall.	Westbrook.
Johnson.	Wiley.
Lattimore.	

#### Absent.

Clark.	Morrow.
Gibson.	Willacy.
Hudspeth.	

### PAIRED.

Senator McGregor (absent), who would vote "nay," with Senator Darwin (present), who would vote "yea."

The motion to recess until 3 o'clock today was adopted.

### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order at 3 o'clock by President Pro Tem. Collins, and, on motion of Senator Lattimore, the Senate was at ease, subject call of the Chair.

At 3:20 o'clock the Senate was called to order by President Pro Tem. Collins.

### SIMPLE RESOLUTION.

(Pending Business.)

Action recurred on the pending business, the motion by Senator McNealus to table the resolution by Senator Watson.

Senator Lattimore made the point of order that the resolution was out of order for the reason that the Senate was not organized.

The Chair sustained the point of order.

### PRESIDENT PRO TEM.—ELECTION OF.

Regular order of business being the election of a President Pro Tem., Senator Townsend placed in nomination for that place Senator Warren.

The nomination was seconded by Senators Westbrook, Bailey of Harris, Nugent, Taylor, Willacy, Lattimore, Gibson and Watson.

There being no other nominations, the Chair declared nominations closed and called for ballots to be cast.

Senators Lattimore, Greer and Taylor were appointed tellers.

Senator Warren received 26 votes, and was declared duly and constitutionally elected President Pro Tem. of the Senate for the ensuing session.

Senators Brelsford and Willacy were appointed as a committee to escort Senator Warren to the President's stand, whereupon the constitutional oath of office was administered him by President Pro Tem. and Acting Lieutenant Governor Collins.

President Pro Tem. Warren was presented to the Senate by Senator Collins, and, after thanking the Senate for the

honor conferred upon him, called for the regular order of business.

### SIMPLE RESOLUTION.

Senator Brelsford offered the following resolution:

Be it resolved, That the thanks and appreciation of this Senate be extended to Senator Collins, the retiring President Pro Tem. of this body, for the able, courteous and impartial manner in which he has discharged the responsible duties of his office; that we regret his retirement for the time being from the public service, and assure him of our best wishes for future health, prosperity and honor.

BRELSFORD,  
WILLACY.

The resolution was read and unanimously adopted.

(Senator Collins in the chair.)

### PERMANENT ORGANIZATION.

Senator Willacy offered the following several resolutions providing for the organization of the Senate:

Resolved, That the following officers and employees of the Senate be and are hereby elected to the positions opposite their names:

W. V. Howerton, Secretary of the Senate.

John D. McCall, Assistant Secretary of the Senate.

R. M. Gilmore, Journal Clerk.

T. H. Yarbrough, Assistant Journal Clerk.

J. C. Stanberry, Calendar Clerk.

Frank P. Smith, Engrossing Clerk.

J. W. Shotwell, Enrolling Clerk.

J. C. Son, Assistant Engrossing and Enrolling Clerk.

E. I. Kellie, Doorkeeper.

J. D. Egan, Assistant Doorkeeper.

M. F. Hornbuckle, Sergeant-at-Arms.

J. A. Kenny, Assistant Sergeant-at-Arms.

J. P. Hall, Second Assistant Sergeant-at-Arms.

Resolved, further, That the Secretary of the Senate be and is hereby directed to cast the entire vote of the Senate for the election of the above officers.

The resolution was read and unanimously adopted.

All the above officers except J. W. Shotwell appeared en masse before the President's stand and the oath of office was administered to them by President Pro Tem. Warren.

Be it resolved, That the salary of each officer and employe be fixed at the sum of \$5.00 per day, except the salary of the pages and porters, each of whom shall receive the sum of \$2.00 per day.

The resolution was read and adopted.

Resolved, That the following employes are hereby elected to serve during the Second Called Session of the Thirty-third Legislature in the position to which they are hereby named:

Chaplain, Rev. H. M. Sears; Postmistress, Mrs. Clyde D. Smith; Mailing and Notarial Clerk, Will H. Mayes, Jr.

The resolution was read and adopted.

Resolved, That the following named stenographers or typewriters are hereby appointed to serve during the session of the Second Called Session of the Thirty-third Legislature:

Miss Ann Howe, Miss Azile Dierlam, Matt Wilson, Garland Woodward, Miss Winnie Weddle, Miss Margaret Fry, Miss Tynes Ragsdale, Miss Allye Smith, Mrs. Nellie Shannon, Miss Nannie Smith, Miss Mary Thompson, Miss Nellie Lowdy, N. H. Rather, Miss Eula Hurlock, Austin McKinney, Miss Ada Bell, C. A. Duff, Miss Mattie Jones, Miss Theodora Bell, Miss Cassie Millhouse, Miss Daisey Reedy.

The resolution was read and adopted.

#### NOTIFICATION COMMITTEES.

The Chair here appointed the following Notification Committees:

To notify the Governor: McNealus, Real, and Cowell.

To notify House: Wiley, Westbrook and Gibson.

(President Pro Tem. Warren in the chair.)

#### BILLS AND RESOLUTIONS.

By Senator Wiley:

S. B. No. 1, A bill to be entitled "An Act construing the term Public Cotton Warehouse, providing for the construction of public cotton warehouses, requiring ginners to construct buildings and platforms for the protection of ginned cotton, directing how cotton shall be wrapped, records to be kept by ginners; construing the term warehouseman, providing for bond of warehouseman, imposing duties upon the Commissioner of Insurance and Banking, providing for the issuance of charter to warehouseman, providing for warehouseman records, and examination of public cotton warehouses, defining the term samples, loose, linter and bolly, making

warehouse receipts negotiable, providing for fees of warehouseman, examination of warehouses and charges for such examination, limited number of warehouses conducted under one charter; requiring railway companies to shed platforms and to transport cotton in closed cars, requiring compresses to be supplied with weather-proof platforms to protect cotton, requiring all persons concentrating cotton to provide suitable platforms and sheds to protect same from damage, providing penalties, repealing all laws in conflict and declaring an emergency."

Read first time and referred to Committee on Commerce and Manufactures.

By Senator Willacy:

S. B. No. 2, A bill to be entitled "An Act making appropriation to pay the per diem and mileage of members, and the per diem pay of officers and employes of the Second Called Session of the Thirty-third Legislature of the State of Texas, convened August 24, 1914, by proclamation of the Governor; providing how accounts may be approved, and declaring an emergency."

Read first time, and referred to Finance Committee.

By Senator Willacy:

S. B. No. 3, A bill to be entitled "An Act making appropriation of the sum of \$15,000, or so much thereof as may be necessary, to pay the contingent expenses of the Second Called Session of the Thirty-third Legislature of the State of Texas, convened August 24, 1914, by the proclamation of the Governor; providing how accounts may be approved, and declaring an emergency."

Read first time, and referred to Finance Committee.

#### SIMPLE RESOLUTION.

Senator Watson offered a resolution, copy of the same resolution offered at the morning session, and which appears in the morning proceedings, which was read.

Senator Brelsford moved that the resolution be laid on the table subject to call.

#### ADJOURNMENT.

Senator Bailey of DeWitt, at 4:30 o'clock p. m., moved that the Senate adjourn until 10 o'clock tomorrow morning.

The motion prevailed.

# In Memory of Hon. A. M. Kennedy

---

Senator Terrell offered the following resolution, which was read and adopted:

Whereas, Since this Senate last adjourned, the Hon. A. M. Kennedy has been called, by death, from the walks of men to join the honored dead; and

Whereas, He was for nearly a quarter of a century connected with the work and the history of the Texas Legislature, touching it at all points from Clerk in the Senate to Speaker of the House, leaving behind him as a legislator an imperishable name, and bequeathing to posterity some of the best laws ever written in the statutes of the State; therefore, be it

Resolved by the Senate, in Special Session assembled, That this body laments his death as a legislative loss, and that in his going Texas witnessed the departure of one of her most unselfish and distinguished sons, and that the people of the State were deprived of the labors of a loyal and efficient public servant, and humanity was robbed of a faithful friend; and be it further

Resolved, That when the Senate adjourns today it do so out of respect to his life and labors, that we extend to his loving wife and devoted brothers, in their bereavement, our sincerest sympathy; that they be furnished a copy of this resolution, and that a page of the Senate Journal be set aside as a memorial to his honored and loved memory.

Signed—Real, Astin, Bailey of Harris, Watson, Conner, Gibson, Cowell, Lattimore, Nugent, Johnson, Taylor, Westbrook, Warren, Brelsford, Greer, Harley, Terrell, McNealus, Darwin, Bailey of DeWitt, Carter, Wiley, Hall, Townsend, Collins.

## SECOND DAY.

Senate Chamber,  
Austin, Texas,

Tuesday, August 25, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Lattimore.
Bailey of DeWitt.	McGregor.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Real.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend:
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Johnson.	

Absent.

Hudspeth.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Westbrook.

## EXCUSED.

On account of important business:

Senator Morrow, for yesterday, on motion of Senator Harley.

Senator Hudspeth, for yesterday and indefinitely, on motion of Senator Watson.

## REPORT OF NOTIFICATION COMMITTEE.

The committee appointed on yesterday to notify the Governor that the Senate was organized and ready for business, appeared at the bar of the Senate and reported.

The like committee to notify the House also reported.

## MESSAGE FROM THE GOVERNOR.

Private Secretary to the Governor. Mr. Bowman, was here announced at the bar of the Senate and delivered to the Senate a message from the Governor, which was read to the Senate.

(The message appears in the Appendix of this Journal.)

## APPOINTMENTS BY CHAIR.

Pages—Guynne Smith, Fritz Metzensthein, William Atkinson, John B. Carter, Arthur Lebovitz, Valde Layne, Gentry Wright, Sanford Ogle, Glenn Webb and Harvey Henry.

Porters—Ellis Monroe, Chester Odom, Rufus Harraas, Horace Nichols, Jack Blocker, Charlie Buckner and Frank Kelly.

## HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, August 25, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

H. B. No. 2, Mileage and per diem bill.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

(Senator Townsend in the chair.)

## BILL READ AND REFERRED.

The Chair (Senator Townsend) had referred, after its caption had been read, the following House bill:

H. B. No. 2, referred to Finance Committee.

## SIMPLE RESOLUTION.

Senator Westbrook offered the following resolution:

Resolved, That we respectfully request every stenographer, page and typewriter of the Senate to be present in the Senate Chamber every morning at 8:30 o'clock and remain until 6 o'clock in the afternoon during this session.

The resolution was read, and Senator Clark offered the following amendment:

Amend resolution reading "from 8 a. m. until 12 noon, and from 2 p. m. until 6 p. m."

Pending discussion, Senator Terrell moved that the resolution and amendment be tabled, which motion was adopted by the following vote:

## Yeas—17.

Bailey of DeWitt.	Harley.
Bailey of Harris.	McGregor.
Carter.	McNealus.
Conner.	Nugent.
Cowell.	Terrell.
Darwin.	Watson.
Gibson.	Wiley.
Greer.	Willacy.
Hall.	

## Nays—9.

Brelsford.	Real.
Clark.	Taylor.
Collins.	Townsend.
Johnson.	Westbrook.
Lattimore.	

Present—Not Voting.

Morrow.

Absent.

Astin.

Warren.

Absent—Excused.

Hudspeth.

## SENATE BILL NO. 3.

(By Unanimous Consent.)

The Chair laid before the Senate, on second reading, Senate bill No. 3, and Senator Cowell moved that the Senate rule requiring committee reports to lie over for one day be suspended, which motion was adopted by the following vote:

## Yeas—29.

Astin.	Lattimore.
Bailey of DeWitt.	McGregor.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Real.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Johnson.	

Absent—Excused.

Hudspeth.

The Chair laid before the Senate, on second reading,

S. B. No. 3, A bill to be entitled "An Act making appropriation for the contingent expenses of the Called Session of the Legislature."

The committee report was adopted.

Bill read second time, and ordered engrossed.

On motion of Senator Cowell, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

## Yeas—29.

Astin.	Lattimore.
Bailey of DeWitt.	McGregor.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Real.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Johnson.	

Absent—Excused.

Hudspeth.

The bill was read third time, and passed by the following vote:

## Yeas—29.

Astin.	Lattimore.
Bailey of DeWitt.	McGregor.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Real.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Johnson.	

Absent—Excused.

Hudspeth.

Senator Cowell moved to reconsider the vote by which the bill was passed, and lay that motion on the table.

The motion to table prevailed.

## SIMPLE RESOLUTION.

(Pending Business.)

Action here recurred on the pending business from yesterday, the simple resolution by Senator Watson, which resolution is in full in the Journal of yesterday.

The action recurred on the motion of Senator Brelsford to lay the resolution on the table subject to call.

(President Pro Tem. Warren in the chair.)

# HOUSE BILL NO. 2.

(By Unanimous Consent.)

The Chair laid before the Senate House bill No. 2, and on motion of Senator Willacy the Senate rule requiring committee reports to lie over for one day was suspended, for the purpose of considering this bill (see Appendix for committee report).

On motion of Senator Willacy the committee report, which provided that the bill be not printed, was adopted by the following vote:

Yeas—28.

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.]
Carter.	Nugent.
Clark.	Real.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.

Absent.

McGregor.

Absent—Excused.

Hudspeth.

On motion of Senator Willacy, the constitutional rule requiring bills to be read an three several days was suspended and House bill No. 2 put on its second reading by the following vote:

Yeas—28.

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Real.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley. ■
Harley.	Willacy.

Absent.

McGregor.

Absent—Excused.

Hudspeth.

The Chair laid before the Senate, on second reading,

H. B. No. 2, A bill to be entitled "An Act making appropriation to pay the per diem and mileage of members and the per diem of the officers and employees of the Second Called Session of the Thirty-third Legislature of the State of Texas, convened on the 24th day of August, 1914, by proclamation of the Governor, providing how accounts may be approved, and declaring an emergency."

Bill read second time and passed to a third reading.

On motion of Senator Willacy, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—28.

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.]
Clark.	Real.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.

Absent.

McGregor.

Absent—Excused.

Hudspeth.

The bill was read third time and passed by the following vote:

Yeas—28.

Astin.	Greer.
Bailey of DeWitt.	Hall.
Bailey of Harris.	Harley.
Brelsford.	Johnson.
Carter.	Lattimore.
Clark.	McNealus.
Collins.	Morrow.
Conner.	Nugent.
Cowell.	Real.
Darwin.	Taylor.
Gibson.	Terrell.

Townsend.      Westbrook.  
Warren.         Wiley.  
Watson.         Willacy.

Absent.

McGregor.

Absent—Excused.

Hudspeth.

Senator Willacy moved to reconsider the vote by which the bill was passed and lay the motion on the table.

The motion to table prevailed.

### SIMPLE RESOLUTION.

(Pending Business.)

Action recurred on the pending simple resolution by Senator Watson, requesting the Attorney General for an opinion on a certain matter.

### HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, August 25, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

S. B. No. 3, with amendment.

Respectfully,

W. R. LONG.

Chief Clerk, House of Representatives.

### S. B. NO. 3—HOUSE AMENDMENT CONCURRED IN.

Senator Willacy called up, as a privileged matter, Senate bill No. 3, contingent expense bill, with the following House amendment:

Amend the bill by striking out the figures "\$15,000" and insert in lieu thereof "\$16,000."

On motion of Senator Willacy, the Senate concurred in the House amendment by the following vote:

Yeas—26.

Astin.	Darwin.
Bailey of Harris.	Gibson.
Brelsford.	Greer.
Carter.	Hall.
Clark.	Harley.
Conner.	Johnson.
Cowell.	Lattimore.

McNealus.      Townsend.  
Morrow.         Warren.  
Nugent.         Watson.  
Real.             Westbrook.  
Taylor.          Wiley.  
Terrell.         Willacy.

Present—Not Voting.

Collins.

Absent.

Bailey of DeWitt. McGregor.

Absent—Excused.

Hudspeth.

### HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, August 25, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following resolutions:

H. C. R. No. 1, Endorsing amendment of national bank laws.

H. C. R. No. 2, Inviting Hon. Clarence Ousley and J. Sheb Williams to address a joint session of the House and Senate August 25, 1914, at 8 p. m.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

### HOUSE CONCURRENT RESOLUTION NO. 2.

The Chair laid before the Senate

H. C. R. No. 2, A resolution inviting Hons. Clarence Ousley and Sheb Williams to address a joint session of the Legislature on August 25, at 8 o'clock p. m.

Senator Bailey of DeWitt offered an amendment adding Hon. Peter Radford.

The amendment was tabled by the following vote:

Yeas—18.

Astin.	Lattimore.
Brelsford.	McNealus.
Carter.	Nugent.
Clark.	Real.
Collins.	Taylor.
Cowell.	Warren.
Darwin.	Westbrook.
Greer.	Wiley.
Johnson.	Willacy.

Nays—9.

Bailey of DeWitt.	Conner.
Bailey of Harris.	Hall.



Harley.  
Morrow.  
Terrell.

Townsend.  
Watson.

Absent.

Gibson.

McGregor.

Absent—Excused.

Hudspeth.

Senator Wiley moved that the resolution be referred to the Committee on Congressional Districts.

Senator Clark moved the previous question on the resolution, and the same being duly seconded, was so ordered.

Senator Wiley was given unanimous consent to speak to his motion to refer.

The motion to refer was lost by the following vote:

Yeas—8.

Carter.  
Conner.  
Darwin.  
Hall.

Johnson.  
Townsend.  
Westbrook.  
Wiley.

Nays—20.

Astin.  
Bailey of Harris.  
Brelsford.  
Clark.  
Collins.  
Cowell.  
Gibson.  
Greer.  
Harley.  
Lattimore.

McNealus.  
Morrow.  
Nugent.  
Real.  
Taylor.  
Terrell.  
Warren.  
Watson.  
Willacy.

Present—Not Voting.

Bailey of DeWitt.

Absent.

McGregor.

Absent—Excused.

Hudspeth.

Action then recurred on the resolution and the same was adopted by the following vote:

Yeas—20.

Astin.  
Bailey of Harris.  
Brelsford.  
Clark.  
Collins.  
Cowell.  
Gibson.  
Greer.  
Harley.  
Lattimore.

McNealus.  
Morrow.  
Nugent.  
Real.  
Taylor.  
Terrell.  
Townsend.  
Warren.  
Watson.  
Willacy.

Nays—7.

Carter.  
Conner.

Darwin.  
Hall.

Johnson.  
Westbrook.

Wiley.

Present—Not Voting.

Bailey of DeWitt.

Absent.

McGregor.

Absent—Excused.

Hudspeth.

### BILLS SIGNED.

The Chair, President Pro. Tem. Warren, gave notice of signing, and did sign in the presence of the Senate, after their captions had been read, the following bills:

H. B. No. 2, mileage and per diem bill.

S. B. No. 3, contingent expense bill.

### ADJOURNMENT.

On motion of Senator McNealus, the Senate, at 1 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

### APPENDIX.

#### COMMITTEE REPORTS.

(Floor Report.)

Austin, Texas, August 24, 1914.

To the Honorable President of the Senate.

Sir: Your Committee on Contingent Expenses, to whom was referred

S. B. No. 3, A bill to be entitled "An Act making appropriation of the sum of \$15,000, or so much thereof as may be necessary, to pay the contingent expenses of the Second Called Session of the Thirty-third Legislature of the State of Texas, convened August 24, 1914, by the proclamation of the Governor, providing how accounts may be approved, and declaring an emergency,"

Have had same under consideration, and beg to report same back to the Senate with the recommendation that it do pass, and be not printed.

Warren, Chairman; Cowell, Real, Conner, Carter.

(Floor Report.)

Austin, Texas, August 24, 1914.

To the Honorable President of the Senate.

Sir: Your Committee on Finance, to whom was referred

S. B. No. 2, A bill to be entitled "An Act making appropriation to pay the per diem pay and mileage of members, and the per diem pay of officers and employes of the Second Called Session of the Thirty-third Legislature of the State of Texas, convened August 24, 1914, by proclamation of the Governor, providing how accounts may be approved, and declaring an emergency,"

Have had same under consideration, and beg to report same back to the Senate with the recommendation that it do pass, and be not printed.

Willacy, Chairman; Real, Cowell, Lattimore, Nugent, Warren, Wiley, McGregor, Taylor, Brelsford, Johnson.

(Floor Report.)

Austin, Texas, August 24, 1914.

To the Honorable President of the Senate.

Sir: Your Committee on Finance, to whom was referred

H. B. No. 2, A bill to be entitled "An Act making appropriation to pay the per diem and mileage of members and the per diem of the officers and employes of the Second Called Session of the Thirty-third Legislature of the State of Texas, convened on the 24th day of August, 1914, by proclamation of the Governor, providing how accounts may be approved, and declaring an emergency,"

Have had same under consideration, and beg to report same back to the Senate with the recommendation that it do pass, and be not printed.

Willacy, Chairman; Cowell, Lattimore, Nugent, Real, Astin, Brelsford, McGregor, Wiley, Taylor, Johnson.

Committee Room,

Austin, Texas, August 25, 1914.

Hon. R. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed Bills, to whom was referred

S. B. No. 3, A bill to be entitled "An Act making appropriation of the sum of \$15,000, or so much thereof as may be necessary, to pay the contingent expenses of the Second Called Session of the Thirty-third Legislature of the State of Texas, convened August 24, 1914, by the proclamation of the Governor, providing how accounts may be approved, and declaring an emergency,"

Have carefully compared same, and find it correctly engrossed.

BRELSFORD, Chairman.

## MESSAGE FROM THE GOVERNOR.

Governor's Office,  
Austin, Texas, August 24, 1914.

Gentlemen of the Senate and House of Representatives:

I regret the necessity for calling you from your homes and pleasant vacations at this season of the year. Nothing but considerations of the highest obligations induced me to convene the Legislature in extra session. I trust your labors will soon be completed, and that under the duty we owe the people, it will be a pleasure for us to discharge it.

Extraordinary events beyond our control have produced a crisis in our business affairs, which our State and nation is but poorly prepared to meet. During the last twenty days the most powerful and progressive nations of Europe have engaged in war, thus practically stopping our intercourse and commerce with them.

Great Britain, France, Germany, Russia, Austria-Hungary and Belgium are the biggest buyers of American cotton, as well as the principal owners of the ships which have carried it from our shores to theirs for manufacture. These nations are now at war, and their ships for the most part have been impressed for national service, and those not in such use are refusing to take cargoes on account of the war hazard. Our cotton crop for this year is practically made, and the harvest season is upon us; the world's cotton markets are closed against us, and cotton is unsalable except in small lots and at prices that will be ruinous to farmers, and to bankers, and business generally. A condition exists which must be met by practical and effective measures; theories will not meet the needs of the people under the present emergency.

### Cotton Exported.

In 1913 the United States produced 14,159,078 bales of cotton. We exported 8,800,966 bales that year, and our domestic spinners used 5,786,330 bales. The total value of the cotton exported for the year 1913 was \$547,357,195, and the average price received for upland cotton was about 12 cents per pound. Of cotton exported, Great Britain took 3,563,216 bales; Germany, 2,350,761, and France 1,014,834 bales—these three countries taking almost four-fifths of the total quantity exported. In addition, Russia took 70,625; Belgium, 214,245, and Austria-Hungary, 109,292

bales; in fact, all the cotton we exported went to the countries now at war, except 1,391,695 bales.

#### Other Farm Exports.

In addition to cotton, those engaged in productive agriculture supplied the home markets in 1913, and furnished for export \$28,800,500 worth of corn; \$13,206,247 worth of oats; \$53,171,537 worth of flour; \$89,060,428 worth of wheat; \$17,338,117 worth of beef products; \$114,853,303 worth of hog products, a total of \$316,440,136, as against \$547,353,195 worth of cotton exported. These figures show that cotton constitutes 63 per cent of the productive agricultural exports of the United States. Our cotton has been the means of the United States maintaining the balance of trade in her favor for many years. Yet the growers of this commodity have had but scant consideration, out of the great avalanche of legislation, for their protection against such a crisis as is now pending.

#### Texas to Do Its Duty.

To aid in meeting this crisis is the object of your coming together at this time. It is proper for Texas to take the lead in any effort to do this, as she has taken the lead in other great movements in recent years, and point the way to other States and to the nation. The statesman who can not see that the State, and the nation, must make provision to care for such situations as now confronts us, is blind to the progress of events, and their requirements and remedies, and will have to give way to those who can see and have the courage to meet and provide for such emergencies.

#### The Home Market.

Our domestic spinners take but a little more than one-third of our cotton production. Of course, it is to be expected that they will consume more of the raw material under existing conditions than otherwise, because the nations at peace will have to look to us to supply what they have heretofore been buying of the manufactured product from the nations now at war. Even under this condition it is estimated that we will not have a home market for more than one-half of this year's crop. Unless we can provide a way to store and hold that portion of our cotton crop which domestic spinners will not require, these home buyers will not only

be able to buy all they need at the reduced price, but they will be willing to pay for the "distress" cotton that is forced upon the market, but it will leave the part of the crop not otherwise subject to export, as surplus and a drug upon the market.

#### Emergency Currency.

Of course the issuance of currency is a function of the Federal and not of the State government. But we should use all the influence we can possibly exert to induce the Federal government to co-operate with the State, by proper amendments to currency legislation, to help meet the crisis now upon us. This we can do by the prompt passage of laws providing for a system of public warehouses and bonded warehouses, bills for which have been carefully prepared, and submitted herewith, and which will be referred to further.

I deem it not out of place to refer to present currency laws, and what is known as the amendment of August 24 to the "Aldrich-Vreeland law." This amendment provides that national banks may organize "currency associations" and for emergency purposes such banks may issue bank notes to the extent of 125 per cent of their unimpaired capital stock and surplus, on certain bonds being deposited with the treasury. It permits the issuance of only 30 per cent increase, or emergency currency, on the unimpaired capital stock and surplus of banks, upon the deposit of commercial paper. Texas banks, national and State, have very few bonds and therefore would have to rely upon the other provision of the law to increase their issue of emergency currency.

#### The National Banks.

The capital and surplus of Texas national banks amounts to \$78,191,408; capital, \$52,046,580, and surplus of \$26,626,780, and currency to the amount of 125 per cent of this total would give them the right to issue bank notes to the extent of \$97,739,408. They have already issued, on bonds of the United States, \$23,626,780, and if they had bonds to deposit as required, could issue emergency currency to the extent of \$74,112,480 increase. But as they have only \$5,637,942 of bonds available and can only issue 30 per cent of their capital and surplus by the deposit of commercial paper, the maximum amount of emergency currency the national banks of Texas could issue under existing cur-

rency laws would be \$20,995,364. It will cost an average of \$10 per bale to have the cotton picked, and if picking three million bales is paid for, at this price it will take thirty million dollars—or more than the emergency currency the national banks can issue under existing law, to pay for the picking of three-fourths of the Texas crop. This serves to show how little relief we can expect from the present currency law to meet the present crisis in taking care of the cotton crop in Texas. If we produce four million bales the crop at the lowest ought to be worth 10 cents per pound to the producer, or a total of two hundred million dollars.

#### The State Banks.

Some ten days or more ago the Secretary of the Treasury advised the Dallas Currency Association that State banks would not be allowed to issue emergency currency under the Aldrich-Vreeland act, and amendments, though the Act of August 4 provides that eligible State banks—those having a capital of \$25,000 or over—might avail themselves of the act if they joined a currency association within fifteen days after the passage of the act. On the 18th instant we telegraphed to the Secretary of the Treasury asking this privilege for Texas State banks. On the 20th he replied saying these banks could have taken advantage of the act within fifteen days after the amended act was approved, and that he was not to blame if they had not done so. We called his attention to his telegram to the Dallas Currency Association, and on Saturday last I received a further telegram from the Secretary of the Treasury saying that "there is nothing to preclude eligible State banks from applying for membership in Federal reserve system and no time limit for doing so." State banks are eligible to membership in the Federal reserve system, which provides for regional banks, but our State banks are cut off from the benefits of the Act of August 4, but they ought not to be.

#### Capital Should Be Available.

There are 410 State banks and trust companies in Texas with capital of \$25,000 and over. They have a combined capital of \$28,148,000, and a surplus of \$5,600,975, or a total of \$33,740,975. There are 248 other State banks which by transferring their surplus to capital would give them the \$25,000 required to make them eligible.

These have a combined capital and surplus of \$21,587,936. Adding the two together would give \$55,328,911 of banking capital in Texas which is denied participation in the benefits of the Act of August 4th, which could be utilized to increase the circulating medium for the present emergency to almost as great an extent as the national banks. An amendment to the Act of August 4th amending the Aldrich-Vreeland act is now pending before the Committee on Banking in the United States Senate, and it proposes to allow banks to issue emergency currency based on commercial paper to the extent of 75 per cent of the unimpaired capital and surplus of banks. If this were passed and the State banks that are eligible were admitted to the benefits of such an amendment, the emergency currency the national banks could issue under it would be \$47,077,665, and \$41,526,681 by the State banks, or a total of \$89,204,346, whereas under existing law the most that can be issued is less than thirty million—not enough to pay for picking the cotton crop.

#### Needed Federal Legislation.

I recommend that the Legislature memorialize Congress to pass such an amendment to the Aldrich-Vreeland Act as amended by the amendment approved by the President August 4, 1914.

In fact, personally, I think the Federal currency legislation should be so amended as to provide that the government would allow banks to issue emergency currency on warehouse receipts for cotton, and elevator receipts for wheat, where guaranteed by the State, or secured by bonds and insurance. A bill has passed Congress appropriating twenty-five million dollars to charter ships to carry commerce, and another appropriating five million dollars to pay insurance on same, and I can see no reason in principle, or good policy, why the same care should not be taken to aid the producer of our wealth in a crisis like this. A bill with this object in view, too, is pending in Congress, and if it should be passed would solve the whole difficulty we in the agricultural States are now laboring under.

The act amending the Federal Reserve Act, approved August 4th, imposes a tax of 3 per cent on the emergency issued by any bank under the provisions of said amendment. Warehouse receipts for cotton and wheat, endorsed by the State government, or secured by bond

and insurance, is certainly as good security as ordinary commercial paper, and better, and it would be within good sound business discretion to provide that banks might issue emergency currency, on such warehouse receipts, at rates of interest not to exceed 4 per cent.

I have recited the foregoing facts, and tried to elucidate them briefly, that you might better understand the urgent need of the legislation you have been convened to consider and hereinafter recommended. Its prompt enactment would have a wholesome influence upon the Congress of the United States in considering these changes in the emergency currency act now pending before their committees.

#### Public Warehouses.

To meet the emergency for warehouse protection and guarantee, I recommend that a system of public warehouses be provided for and established without delay. This will, as already suggested, in view of the situation, greatly relieve the situation by furnishing a safe warehouse system under State protection. It will inspire confidence by banks in the security and besides will aid largely in securing a change in the currency laws so as to make such warehouse receipts the basis for issuing emergency currency.

It may be urged by some that the State ought not to go into the warehouse business. Why should it not do so now to meet this emergency? Can not the State itself do what it creates corporations to do? A corporation is but an artificial person, created by law, to do that which the government itself has the power to do. The policy of it, under different circumstances, might furnish grounds for argument, but there is no question of the State's power and right to do so. The policy of it ought not to be questioned at this time, for is there not urgent need? Has not the State failed in the past to provide any adequate warehouse system? Any system intended for immediate benefits, now, without the State behind it to push it, would fall short of the public emergency which must be considered. The dependent farmer must be considered; the banker lending money upon cotton and grain must be considered; security of the receipts issued against them must be taken into account—the general welfare calls for action, not quibblings over pride of individual opinion. A law which will force the establishment of safe places to store cotton

is what is needed now. We cannot afford to depend upon one which will wait for the voluntary association of individuals with their capital, in establishing them.

#### Carefully Considered.

Foreseeing this need, the Legislature was called in extra session to consider it. For several years I have given the question careful consideration. Eight years' service on the Railroad Commission, in dealing with the rate problem, the compressing and handling of cotton, brought me into full realization of the poverty of our laws relating to the care of and handling of the greatest money crop in the country. Legislation on this subject of its protection, safe handling and warehousing, has been shamefully neglected, and if we do not profit now by the practical lesson before us, we shall lose opportunity to be of the greatest service to our glorious State and her people.

If we come to the rescue now, with adequate guarantees by the State, and then the Federal government closes its credit to the security we offer it, and to banks chartered by Federal and State authority, and calamity follows, by the sacrifice of values in our staple product, the State government will at least have done its duty, and the blame for disaster will rest elsewhere.

#### Emergency Bill.

After a most careful consideration of the question, at my request, the Attorney General's Department has prepared an emergency warehouse measure, which I submit herewith as part of this message. I also attach an opinion of the Attorney General reviewing the main provisions of the proposed law, and this was done, not that I expect the members of the Legislature to accept the details of a bill embodying my views, however carefully prepared, but that they might have a measure at least worthy of thoughtful attention by them, upon which they could at once proceed to deliberate, with the hope of speedier action and conclusion of their labor. The measure is by no means intended as "dictation," but "recommendation."

The bill provides that the law shall be administered by the Commissioner of Banking and Insurance. The proposed statute follows in large measure the lines of the State banking law, and clothes the Commissioner of Banking and Insurance with ample power and

means to carry the law into immediate and practical effect. I shall not attempt to recite all its provisions. But it is deemed more practical to employ the organized machinery of a department already organized in enforcing the law, than to create new officers to administer it. The emergencies calling for the bill are stated in the first section of it.

#### Some Objections Offered.

Of course it was not expected that there would be no objections offered to the bill. The ginnerers may object to the tax of 10 cents per bale imposed upon them as an occupation tax. This plan was hit upon as the most feasible way to raise money to carry the law completely and successfully into effect. Some such plan will have to be used to get the money; it can't be obtained from the tax levy, for all the revenues provided for by this year's tax levy, and for next have already been appropriated by the Legislature at a previous session.

#### The Ginners' Tax.

It was believed that this occupation tax of 10 cents per bale, together with the appropriation of \$100,000, which the bill carries, would almost pay the cost of necessary warehouse expenses throughout the State under this emergency act. If it is not collected from the ginnerers, it must be collected from the farmers or whoever stores the cotton in the State controlled and supervised warehouses. If it is collected from the latter source, then it must be collected in advance to get ready cash to meet these expenses. In drafting the bill we adopted the most reasonable and certain means of securing the money necessary to pay warehouse expenses and cost of insurance of the cotton. I believe, after careful consideration, the ginnerers themselves will concede the wisdom of this course. It should be remembered that this is an emergency measure, and the man who is unwilling to concede something himself to aid in carrying out a plan intending so much good to the whole public may find himself, in times of need, confronted with an uncharitable public sentiment demanding more drastic measures to contend with.

Some may contend that the money which it is proposed to collect by this occupation tax on ginnerers should be appropriated out of the treasury and taxed against the people. You should not, in considering this course, over-

look the fact that the taxes levied for this year are due in October, and are needed to meet the current expenses of the State. Besides, these taxes will have to be paid by the same cotton producers that we have met here to aid. If he is not able to sell his cotton, how is he going to pay his taxes? If you increase those taxes, you will only add to his difficulties. The banks have given notice that, under present conditions, they can and will advance money to pay for gathering and ginning the cotton. The ginner, therefore, will be protected by cash payments for his services as a ginner, even under the distressed conditions. Why should he complain if the State exacts a small sum from him, to help meet the crisis we are now dealing with?

#### Buying Warehouses.

Objection may also be urged against the bill by owners of private warehouses, but this objection, like that of the ginnerers, is a selfish one. If we are to be controlled in this emergency by the general public good, selfish reasons, or personal aggrandizement, will not be permitted to defeat legislation so much desired for the public welfare.

The provision in the bill authorizing the Banking and Insurance Commissioner to "buy or lease" buildings for warehouses was for the purpose of giving him ample power to provide warehouse room at once at places where it is desired. It is presumed that the Commissioner will not have to buy any house for such purpose. We rather anticipate that he will have the co-operation of the people in every town where a State controlled warehouse is desired. If he does not secure that co-operation from the people in towns wanting a warehouse, the Commissioner may exercise his discretion and not establish one where it is not wanted. The cities and towns are authorized to co-operate with the Commissioner of Banking and Insurance in the establishment of warehouses, and may use money in their general funds to buy warehouses with, or to build them. Section 4 of the bill also provides that, before establishing a warehouse in any city or town, the Commissioner may require the citizens, represented by some responsible committee, to agree to pay all or any part of the cost of establishing and operating a warehouse. I believe that there are hundreds of towns in Texas who will be glad to thus co-operate with the Commissioner of Bank-

ing and Insurance, either leasing or buying warehouses, to enable the State to carry out the purposes of the proposed law. If the citizens of any city or town raise the money for that purpose, or if the city government of any city or town appropriates the money from their general fund for that purpose, and offer it to the Commissioner to buy or build a suitable public warehouse, why should the Commissioner not be authorized to do so?

But I shall not lengthen this message by a further discussion of the provisions of the emergency bill. I predict if you will pass it that the people of this State will never consent to its repeal. The emergency is upon us; we ought to meet that emergency with the very best law we can frame—one that will respond to the needs of the hour and give security and protection.

#### Bonded Warehouse Law.

At the First Called Session of the Thirty-third Legislature, I recommended warehouse legislation. A comprehensive bill was prepared at that time and introduced, providing for bonded warehouses. Since that time this same bill, which provides for a system of bonded warehouses with provisions for marketing of farm and ranch products, has been slightly revised and endorsed by the Farmers' Union. This, too, is one of the subjects you are called to consider. A copy of the bill referred to, with some revision and improvements, is attached to this message and made a part hereof. The provisions of this measure ought to be fairly well understood by the members of the Legislature, and I will not take up your time in discussing its splendid features. Suffice it to say, that the bill provides for State supervision of these marketing warehouses; is designed to meet a long standing needed aid to the producer and withal is a most meritorious measure. These measures, especially the emergency bill, make provision for protecting the producers of the 13,650,000 bushels of Texas wheat.

#### Speedy Action Urged.

The enactment of laws providing for an adequate system of warehouses is a question which has been generally debated and discussed in this State from the rostrum and in political campaigns until public sentiment is fully crystallized in its demand for this needed legislation. Speedy perfection and enactment of these measures is urged. At

this time, no other question could inspire higher motives for patriotic action, and no greater duty has confronted any Legislature.

Respectfully submitted,  
O. B. COLQUITT,  
Governor of Texas.

#### THE ALDRICH-VREELAND CURRENCY LAW.

For convenience of information to the Legislature I am attaching the Aldrich-Vreeland act with amendment approved August 4, referred to in my message.

O. B. COLQUITT,  
Governor.

#### An Act to amend the national banking laws.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that national banking associations, each having an unimpaired capital and a surplus of not less than twenty per centum, not less than ten in number, having an aggregate capital and surplus of at least five millions of dollars, may form voluntary associations to be designated as national currency associations. The banks uniting to form such association shall, by their presidents or vice presidents, acting under authority from the board of directors, make and file with the Secretary of the Treasury a certificate setting forth the names of the banks composing the association, the principal place of business of the association, and the name of the association, which name shall be subject to the approval of the Secretary of the Treasury. Upon the filing of such certificate the associated banks therein named shall become a body corporate, and by the name so designated and approved may sue and be sued and exercise the powers of a body corporate for the purposes hereinafter mentioned. Provided, that not more than one such national currency association shall be formed in any city. Provided further, that the several members of such national currency association shall be taken, as nearly as conveniently may be, from a territory composed of a State or part of a State, or contiguous parts of one or more States. And provided further, that any national bank in such city or territory, having the qualifications herein prescribed for membership in such national currency association, shall, upon its application to and upon the approval of the Secretary of the

Treasury, be admitted to membership in a national currency association for that city or territory, and upon such admission shall be deemed and held a part of the body corporate, and as such entitled to all the rights and privileges and subject to all the liabilities of an original member. And provided further, that each national currency association shall be composed exclusively of banks not members of any other national currency association.

The dissolution, voluntary or otherwise, of any bank in such association shall not affect the corporate existence of the association unless there shall then remain less than the minimum number of ten banks. Provided, however, that the reduction of the number of said banks below the minimum of ten shall not affect the existence of the corporation with respect to the assertion of all rights in favor of or against such association. The affairs of the association shall be managed by a board consisting of one representative of each bank. By-laws for the government of the association shall be made by the board, subject to the approval of the Secretary of the Treasury. A president, vice president, secretary, treasurer, and an executive committee of not less than five members, shall be elected by the board. The powers of such board, except in the election of officers and making of by-laws, may be exercised through its executive committee.

The national currency association herein provided for shall have and exercise any and all powers necessary to carry out the purposes of this section, namely, to render available, under the direction and control of the Secretary of the Treasury, as a basis for additional circulation any securities, including commercial paper, held by a national banking association. For the purpose of obtaining such additional circulation, any bank belonging to any national currency association, having circulating notes outstanding secured by the deposit of bonds of the United States to an amount not less than forty per centum of its capital stock, and which has its capital unimpaired and a surplus of not less than twenty per centum, may deposit with and transfer to the association, in trust for the United States, for the purpose hereinafter provided, such of the securities above mentioned as may be satisfactory to the board of the association. The officers of the association may thereupon, in behalf of such bank, make application to the Comptroller of

the Currency for an issue of additional circulating notes to an amount not exceeding seventy-five per centum of the cash value of the securities or commercial paper so deposited. The Comptroller of the Currency shall immediately transmit such application to the Secretary of the Treasury with such recommendation as he thinks proper, and if, in the judgment of the Secretary of the Treasury, business conditions in the locality demand additional circulation, and if he be satisfied with the character and value of the securities proposed and that a lien in favor of the United States on the securities so deposited and on the assets of the banks composing the association will be amply sufficient for the protection of the United States, he may direct an issue of additional circulating notes to the association, on behalf of such bank, to an amount in his discretion, not, however, exceeding seventy-five per centum of the cash value of the securities so deposited. Provided, that upon the deposit of any of the State, city, town, county, or other municipal bonds, of a character described in Section 3 of this act, circulating notes may be issued to the extent of not exceeding ninety per centum of the market value of such bonds so deposited. And provided further, that no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of thirty per centum of its unimpaired capital and surplus. The term "commercial paper" shall be held to include only notes representing actual commercial transactions which, when accepted by the association, shall bear the names of at least two responsible parties and have not exceeding four months to run.

The banks and the assets of all banks belonging to the association shall be jointly and severally liable to the United States for the redemption of such additional circulation; and to secure such liability the lien created by Section 5230 of the Revised Statutes shall extend to and cover the assets of all banks belonging to the association, and to the securities deposited by the banks with the association pursuant to the provisions of this act; but as between the several banks composing such association each bank shall be liable only in the proportion that its capital and surplus bears to the aggregate capital and surplus of all such banks. The association may, at any time, require of any of its constituent banks a deposit of additional securities or commercial paper,



or an exchange of the securities already on deposit, to secure such additional circulation; and in case of the failure of such bank to make such deposit or exchange the association may, after ten days' notice to the bank, sell the securities and paper already in its hands at public sale, and deposit the proceeds with the Treasurer of the United States as a fund for the redemption of such additional circulation. If such fund be insufficient for that purpose the association may recover from the bank the amount of the deficiency by suit in the Circuit Court of the United States, and shall have the benefit of the lien hereinbefore provided for in favor of the United States upon the assets of such bank. The association or the Secretary of the Treasury may permit or require the withdrawal of any such securities or commercial paper of equal value therefor.

Sec. 2. That whenever any bank belonging to a national currency association shall fail to preserve or make good its redemption fund in the treasury of the United States, required by Section 3 of the Act of June 20, 1874, Chapter 343, and the provisions of this act, the Treasurer of the United States shall notify such national currency association to make good such redemption fund, and upon the failure of such national currency association to make good such fund, the Treasurer of the United States may, in his discretion, apply so much of the redemption fund belonging to the other banks composing such national currency association as may be necessary for that purpose; and such national currency association may, after five days' notice to such bank, proceed to sell at public sale the securities deposited by such bank with the association pursuant to the provisions of Section 1 of this act, and deposit the proceeds with the Treasurer of the United States as a fund for the redemption of the additional circulation taken out by such bank under this act.

Sec. 3. That any national banking association which has circulating notes outstanding, secured by the deposit of United States bonds to an amount of not less than forty per centum of its capital stock, and which has a surplus of not less than twenty per centum, may make application to the Comptroller of the Currency for authority to issue additional circulating notes to be secured by the deposit of bonds other than bonds of the United States. The Comptroller of the Currency shall transmit immediately the application, with his

recommendation, to the Secretary of the Treasury, who shall, if in his judgment business conditions in the locality demand additional circulation, approve the same, and shall determine the time of issue and fix the amount, within the limitations herein imposed, of the additional circulating notes to be issued. Whenever after receiving notice of such approval any such association shall deposit with the Treasurer or any Assistant Treasurer of the United States such of the bonds described in this section as shall be approved in character and amount by the Treasurer of the United States and the Secretary of the Treasury, it shall be entitled to receive, upon the order of the Comptroller of the Currency, circulating notes in blank, registered and countersigned as provided by law, not exceeding in amount ninety per centum of the market value, but not in excess of the par value of any bonds so deposited, such market value to be ascertained and determined under the direction of the Secretary of the Treasury.

The Treasurer of the United States, with the approval of the Secretary of the Treasury, shall accept as security for the additional circulating notes provided for in this section, bonds or other interest-bearing obligations of any State of the United States, or any legally authorized bonds issued by any city, town, county, or other legally constituted municipality or district in the United States which has been in existence for a period of ten years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and whose net funded indebtedness does not exceed ten per centum of the valuation of its taxable property, to be ascertained by the last preceding valuation of property for the assessment of taxes. The Treasurer of the United States, with the approval of the Secretary of the Treasury, shall accept, for the purposes of this section, securities herein enumerated in such proportions as he may from time to time determine, and he may with such approval at any time require the deposit of additional securities, or require any association to change the character of the securities already on deposit.

Sec. 4. That the legal title of all bonds, whether coupon or registered, deposited to secure circulating notes issued in accordance with the terms of Section 3 of this act shall be transferred to the Treasurer of the United States in trust

for the association depositing them, under regulations to be prescribed by the Secretary of the Treasury. A receipt shall be given to the association by the Treasurer or any Assistant Treasurer of the United States, stating that such bond is held in trust for the association on whose behalf the transfer is made, and as security for the redemption and payment of any circulating notes that have been or may be delivered to such association. No assignment or transfer of any such bond by the Treasurer shall be deemed valid unless countersigned by the Comptroller of the Currency. The provisions of Sections 5163, 5164, 5165, 5166, and 5167 and Sections 5224 to 5234, inclusive, of the Revised Statutes, respecting United States bonds deposited to secure circulating notes shall, except as herein modified, be applicable to all bonds deposited under the terms of Section 3 of this act.

Sec. 5. That the additional circulating notes issued under this act shall be used, held and treated in the same way as circulating notes of national banking associations heretofore issued and secured by a deposit of United States bonds, and shall be subject to all the provisions of law affecting such notes except as herein expressly modified. Provided, that the total amount of circulating notes outstanding of any national banking association, including notes secured by United States bonds as now provided by law, and notes secured otherwise than by deposit of such bonds shall not at any time exceed the amount of its unimpaired capital and surplus. And, provided further, that there shall not be outstanding at any time circulating notes issued under the provisions of this act to an amount of more than five hundred millions of dollars.

Sec. 6. That whenever and so long as any national banking association has outstanding any of the additional circulating notes authorized to be issued by the provisions of this act it shall keep on deposit in the Treasury of the United States, in addition to the redemption fund required by Section 3 of the Act of June 20, 1874, an additional sum equal to 5 per centum of such additional circulation at any time outstanding, such additional 5 per centum to be treated, held and used in all respects in the same manner as the original redemption fund provided for by said Section 3 of the Act of June 20, 1874.

Sec. 7. In order that the distribu-

tion of notes to be issued under the provisions of this act shall be made as equitable as practicable between the various sections of the country, the Secretary of the Treasury shall not approve applications from associations in any State in excess of the amount to which such State would be entitled of the additional notes herein authorized on the basis of the proportion which the unimpaired capital and surplus of the national banking associations in such State bears to the total amount of unimpaired capital and surplus of the national banking associations of the United States. Provided, however, that in case the applications from associations in any State shall not be equal to the amount which the associations of such State would be entitled to under this method of distribution, the Secretary of the Treasury may, in his discretion, to meet an emergency, assign the amount not thus applied for to any applying associations or associations in States in the same section of the country.

Sec. 8. That it shall be the duty of the Secretary of the Treasury to obtain information with reference to the value and character of the securities authorized to be accepted under the provisions of this act, and he shall from time to time furnish information to national banking associations as to such securities as would be acceptable under the provisions of this act.

Sec. 9. That Section 5214 of the Revised Statutes, as amended, be further amended to read as follows:

"Sec. 5214. National banking associations having on deposit bonds of the United States, bearing interest at the rate of 2 per centum per annum, including the bonds issued for the construction of the Panama Canal, under the provisions of Section 8 of 'An Act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans,' approved June 28, 1902, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of one per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of such bonds; and such associations having on deposit bonds of the United States bearing interest at a rate higher than 2 per centum per annum shall pay a tax of one-half of one per centum each half year upon the average amount of such of its notes in circulation as

are based upon the deposit of such bonds. National banking associations having circulating notes secured otherwise than by bonds of the United States shall pay for the first month a tax at the rate of 5 per centum per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax of 1 per centum per annum for each month until a tax of 10 per centum per annum is reached, and thereafter such tax of 10 per centum per annum, upon the average amount of such notes. Every national banking association having outstanding circulating notes secured by a deposit of other securities than United States bonds shall make monthly returns, under oath of its president or cashier, to the Treasurer of the United States, in such form as the Treasurer may prescribe, of the average monthly amount of its notes so secured in circulation; and it shall be the duty of the Comptroller of the Currency to cause such reports of notes in circulation to be verified by examination of the banks' records. The taxes received on circulating notes secured otherwise than by bonds of the United States shall be paid into the Division of Redemption of the Treasury and credited and added to the reserve fund held for the redemption of United States and other notes."

Sec. 10. That Section 9 of the Act approved July 12, 1882, as amended by the Act approved March 4, 1907, be further amended to read as follows:

"Sec. 9. That any national banking association desiring to withdraw its circulating notes, secured by deposit of United States bonds in the manner provided in Section 4 of the Act approved June 20, 1874, is hereby authorized for that purpose to deposit lawful money with the Treasurer of the United States and, with the consent of the Comptroller of the Currency and the approval of the Secretary of the Treasury, to withdraw a proportionate amount of bonds held as security for its circulating notes in the order of such deposits. Provided, that not more than nine millions of dollars of lawful money shall be so deposited during any calendar month for this purpose.

"Any national banking association desiring to withdraw any of its circulating notes, secured by the deposit of securities other than bonds of the United States, may make such withdrawal at any time in like manner and

effect by the deposit of lawful money or national bank notes with the Treasurer of the United States, and upon such deposit a proportionate share of the securities so deposited may be withdrawn. Provided, that the deposits under this section to retire notes secured by the deposit of securities other than bonds of the United States shall not be covered into the Treasury, as required by Section 6 of an Act entitled 'An Act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes,' approved July 14, 1890, but shall be retained in the Treasury for the purpose of redeeming the notes of the bank making such deposit."

Sec. 11. That Section 5172 of the Revised Statutes be, and the same is hereby, amended to read as follows:

"Sec. 5172. In order to furnish suitable notes for circulation, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved, in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom, and numbered, such quantity of circulating notes, in blank, of the denominations of five dollars, ten dollars, twenty dollars, fifty dollars, one hundred dollars, five hundred dollars, one thousand dollars, and ten thousand dollars, as may be required to supply the associations entitled to receive the same. Such notes shall state upon their face that they are secured by United States bonds or other securities, certified by the written or engraved signatures of the Treasurer and Register and by the imprint of the seal of the Treasury. They shall also express upon their face the promise of the association receiving the same to 'pay on demand, attested by the signature of the president or vice-president and cashier. The Comptroller of the Currency, acting under the direction of the Secretary of the Treasury, shall as soon as practicable cause to be prepared circulating notes in blank, registered and countersigned, as provided by law, to an amount equal to fifty per centum of the capital stock of each national banking association; such notes to be deposited in the Treasury or in the subtreasury of the United States nearest the place of business of such association, and to be held for such association, subject to the order of the Comptroller of the Currency, for their delivery as provided by law. Provided, that the Comptroller of the Cur-

rency may issue national bank notes of the present form until plates can be prepared and circulating notes issued as above provided. Provided, however, that in no event shall bank notes of the present form be issued to any bank as additional circulation provided for by this act."

Sec. 12. That circulating notes of national banking associations, when presented to the Treasury for redemption, as provided in Section 3 of the act approved June 20, 1874, shall be redeemed in lawful money of the United States.

Sec. 13. That all acts and orders of the Comptroller of the Currency and the Treasurer of the United States authorized by this act shall have the approval of the Secretary of the Treasury, who shall have power, also, to make any such rules and regulations and exercise such control over the organization and management of national currency associations as may be necessary to carry out the purposes of this act.

Sec. 14. That the provisions of Section 5190 of the Revised Statutes, with reference to the reserves of national banking associations, shall not apply to deposits of public moneys by the United States in designated depositories.

Sec. 15. That all national banking associations designated regular depositories of public money shall pay upon all special and additional deposits made by the Secretary of the Treasury in such depositories, and all such associations designated as temporary depositories of public money shall pay upon all sums of public money deposited in such associations interest at such rates as the Secretary of the Treasury may prescribe, not less, however, than 1 per centum per annum upon the average monthly amount of such deposits. Provided, however, that nothing contained in this act shall be construed to change or modify the obligation of any association or any of its officers for the safe-keeping of public money. Provided further, that the rate of interest charged upon such deposits shall be equal and uniform throughout the United States.

Sec. 16. That a sum sufficient to carry out the purposes of the preceding sections of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

Sec. 17. That a Commission is hereby created, to be called the "National Monetary Commission," to be composed of nine members of the Senate, to be appointed by the Presiding Officer there-

of, and nine members of the House of Representatives, to be appointed by the Speaker thereof; and any vacancy on the Commission shall be filled in the same manner as the original appointment.

Sec. 18. That it shall be the duty of this Commission to inquire into and report to Congress at the earliest date practicable, what changes are necessary or desirable in the monetary system of the United States or in the laws relating to banking and currency, and for this purpose they are authorized to sit during the sessions or recess of Congress, at such times and places as they may deem desirable, to send for persons and papers; to administer oaths, to summons and compel the attendance of witnesses, and to employ a disbursing officer and such secretaries, experts, stenographers, messengers, and other assistants as shall be necessary to carry out the purposes for which said Commission was created. The Commission shall have the power, through subcommittee or otherwise, to examine witnesses and to make such investigations and examinations, in this or other countries of the subjects committed to their charge as they shall deem necessary.

Sec. 19. That a sum sufficient to carry out the purposes of Sections 17 and 18 of this act, and to pay the necessary expenses of the Commission and its members, is hereby appropriated out of any money in the Treasury not otherwise appropriated. Said appropriation shall be immediately available and shall be paid out on the audit and order of the chairman or acting chairman of said Commission, which audit and order shall be conclusive and binding upon all Departments as to the correctness of the accounts of such Commission.

Sec. 20. That this act shall expire by limitation on the thirtieth day of June, 1914.

Approved, May 30, 1908.

#### SENATE BILL NO. 6192.

An Act to amend Section 27 of an Act approved December 23, 1913, and known as the Federal Reserve Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled: That Section 27 of the Act approved December 23, 1913, known as the Federal Reserve Act is hereby amended and re-enacted to read as follows:

"Sec. 27. The provisions of the Act

of May 13, 1908, authorizing national currency associations, the issue of additional national bank circulation, and creating a National Monetary Commission, which expires by limitation under the terms of such act on the 30th day of June, 1914, are hereby extended to June 30, 1915, and Sections 5153, 5172, 5191, and 5214 of the Revised Statutes of the United States, which were amended by the Act of May 13, 1908, are hereby re-enacted to read as such sections read prior to May 13, 1908, subject to such amendments or modifications as are prescribed in this act. Provided, however, that Section 9 of the act first referred to in this section is hereby amended so as to change the tax rates fixed in said act by making the portion applicable thereto read as follows:

"National banking associations having circulating notes secured otherwise than by bonds of the United States, shall pay for the first three months a tax at the rate of 3 per centum per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax rate of one-half of one per centum per annum for each month until a tax of 6 per centum per annum is reached, and thereafter such tax of 6 per centum per annum upon the average amount of such notes. Provided further, that whenever in his judgment he may deem it desirable, the Secretary of the Treasury shall have power to suspend the limitations imposed by Section 1 and Section 3 of the act referred to in this section, which prescribes that such additional circulation secured otherwise than by bonds of the United States shall be issued only to national banks having circulating notes outstanding secured by the deposit of bonds of the United States to an amount not less than 40 per centum of the capital stock of such banks, and to suspend also the conditions and limitations of Section 5 of said act except that no bank shall be permitted to issue circulating notes in excess of 125 per centum of its unimpaired capital and surplus. He shall require such bank and currency association to maintain a deposit in the Treasury of the United States a sum in gold sufficient in his judgment for the redemption of such notes, but in no event less than 5 per centum. He may permit national banks, during the period for which such provisions are suspended, to issue additional circulation under the terms and conditions of the act referred

to as herein amended. Provided further, that the Secretary of the Treasury, in his discretion, is further authorized to extend the benefits of this act to all qualified State banks and trust companies which have joined the Federal reserve system, or which may contract to join within fifteen days after the passage of this act."

Approved August 4, 1914.

### THIRD DAY.

Senate Chamber,  
Austin, Texas,

Wednesday, August 26, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McNealus.
Brelsford.	Nugent.
Carter.	Real.
Clark.	Taylor.
Collins.	Terrell.
Conner.	Townsend.
Cowell.	Warren.
Darwin.	Watson.
Gibson.	Westbrook.
Greer.	Wiley.
Hall.	Willacy.
Harley.	

Absent.

McGregor. Morrow.

Absent—Excused.

Hudspeth.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator McNealus.

### SENATE CONCURRENT RESOLUTION NO. 1.

Senator Bailey of DeWitt offered the following resolution:

S. C. R. No. 1, Be it resolved by the Senate of Texas, the House of Representatives concurring, That Hon. W. D. Lewis, president of the Farmers' Union of Texas; Hon. H. N. Pope, State organizer of the Farmers' Union of Texas; Hon. E. R. Kone, Commissioner

of Agriculture, and Hon. Peter Radford, ex-president of the Farmers' Union of Texas, be and they are hereby invited to address the Legislature of Texas, assembled in joint session in the Senate Chamber, at such time in the near future as they may select and as may suit their convenience, upon the method of harvesting, storing, and marketing cotton to the end that the true intent of such legislation may be ascertained as will preserve the rights and interest of the farmers of this State.

The resolution was read and Senator Bailey of DeWitt moved that same be adopted.

Senator Townsend offered the following amendment:

Amend the resolution by adding the names: O. P. Pyle and "Cyclone" Davis, after the name "Peter Radford."

Senator Westbrook offered the following substitute for the amendment:

Substitute the amendment to the resolution by eliminating the names "Radford and Lewis."

(Senator Lattimore in the chair.)

Senator Cowell offered the following substitute for the resolution and pending amendments:

Whereas, The Legislature of Texas has been called in extraordinary session to consider warehouse legislation; and

Whereas, It may be of benefit to us as members of the Legislature to hear all who have studied such questions and can offer us any suggestions; therefore, be it

Resolved by the Senate of Texas, the House concurring, That we tender to any citizen of this or any other State the use of the Senate Chamber of this Senate at any hour when the Senate is not in session, in order that he or they may offer such suggestions or addresses as may be of assistance to us in attempting to enact wise legislation upon this subject.

Signed—Cowell, Lattimore, Nugent.

Senator Clark moved to table the substitute, but withdrew the motion.

Senator Bailey of DeWitt made the point of order that the substitute was not germane to the resolution.

The Chair (Senator Lattimore) overruled the point of order.

(President Pro Tem. Warren in the chair.)

Pending discussion of the substitute by Senator Watson, Senator Lattimore made the point of order that the argument was not germane to the matter before the Senate, but pending discussion the point of order was withdrawn.

Senator Bailey of DeWitt made the point of order that the substitute was not germane as a substitute, in that the original resolution provided for inviting four certain gentlemen to address the Legislature, whereas the substitute provided for the invitation of any person.

The point of order was overruled.

Senator Watson moved to table the substitute, and the pending amendments to the original resolution.

Senator Townsend requested unanimous consent to withdraw his amendment to the resolution, but there was objection.

Pending discussion, Senator Gibson asked unanimous consent to offer a simple resolution, but there was objection.

### EXCUSED.

By unanimous consent, Senator Wil- lacy moved that Senator Morrow be excused from attendance upon the Senate for an indefinite time, which motion was adopted.

### SENATE CONCURRENT RESOLUTION NO. 1.

Action recurred on the pending business, and

Senator Bailey of DeWitt asked unanimous consent to strike from the resolution the words "in joint session."

There was objection.

Pending discussion, action recurred on the motion to table the substitute and amendments to the original resolution, and the same was lost by the following vote:

Yeas—9.

Astin.	Harley.
Bailey of DeWitt.	McGregor.
Bailey of Harris.	Terrell.
Carter.	Watson.
Hall.	

Nays—18.

Brelsford.	Lattimore.
Clark.	McNealus.
Collins.	Nugent.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Johnson.	Wiley.

Present—Not Voting.

Willacy.

Absent—Excused.

Hudspeth.

Morrow.

Action then recurred on the substitute, and

Senator Clark moved to table the original resolution, the pending amendments and the substitute, and moved the previous question on the matter.

The motion for the previous question being duly seconded was so ordered.

Senator Bailey of DeWitt, author of the resolution, asked recognition, but on a point of order by Senator Lattimore was ruled out of order on the ground that the previous question had been ordered.

Senator Watson asked unanimous consent that Senator Bailey of DeWitt be heard, but there was objection.

Senator Watson moved that the rule be suspended, but the motion was ruled out of order on a point of order.

Action then recurred on the motion to table the resolution, amendments and the substitute, and the same was lost by the following vote:

Yeas—6.

Astin.  
Carter.  
Clark.

Johnson.  
Taylor.  
Willacy.

Nays—22.

Bailey of DeWitt. Lattimore.  
Bailey of Harris. McGregor.  
Brelsford. McNealus.  
Collins. Nugent.  
Conner. Real.  
Cowell. Terrell.  
Darwin. Townsend.  
Gibson. Warren.  
Greer. Watson.  
Hall. Westbrook.  
Harley. Wiley.

Absent—Excused.

Hudspeth.

Morrow.

Action then recurred on the substitute, and

Senator Lattimore moved the previous question on same, which motion being duly seconded, was so ordered.

The substitute was adopted by the following vote:

Yeas—20.

Brelsford.  
Carter.  
Clark.  
Collins.  
Conner.

Cowell.  
Darwin.  
Gibson.  
Greer.  
Hall.

Johnson.  
Lattimore.  
McNealus.  
Nugent.  
Real.

Taylor.  
Townsend.  
Warren.  
Westbrook.  
Wiley.

Nays—7.

Astin. McGregor.  
Bailey of DeWitt. Terrell.  
Bailey of Harris. Watson.  
Harley.

Present—Not Voting.

Willacy.

Absent—Excused.

Hudspeth.

Morrow.

The resolution, as substituted, was then adopted.

## SIMPLE RESOLUTION.

By Senator Gibson:

Resolved, That each Senator be permitted to subscribe for as many as five newspapers, same to be paid for out of the funds set aside for contingent expenses.

Signed—Real, Astin, Bailey of Harris, Darwin, Greer, Townsend, Carter, Gibson, Willacy, Watson, Cowell, Lattimore, Nugent, Hall, Brelsford, Harley.  
The resolution was read and adopted.

## SIMPLE RESOLUTION.

By Senator Wiley:

Whereas, The bills now being considered by the Senate are of such vital importance to the financial interests of the State; and

Whereas, Said bills are now being considered by the Committee on Commerce and Manufactures, I move that the membership of the Committee on Judiciary Nos. 1 and 2 be added to the Committee on Commerce and Manufactures for consideration of the warehouse and marketing bills only.

Senator Brelsford offered the following amendment, which was read and adopted:

Amend by including entire membership of Senate as members of said committee.

The resolution, as amended, was adopted.

SENATE BILL NO. 1 PRINTED IN  
FULL.

Senator Wiley asked unanimous consent to have Senate bill No. 1 printed

in the Journal of today, which motion was adopted. (The bill will be found following today's proceedings.)

#### OATH OF OFFICE ADMINISTERED.

Here the Chair administered the constitutional oath of office to Mr. J. W. Shotwell, Enrolling Clerk.

#### HOUSE BILL NO. 1 PRINTED IN FULL.

By motion the Senate ordered House bill No. 1 printed in today's Journal and the same will be found immediately following Senate bill No. 1.

#### ADJOURNMENT.

On motion of Senator McNealus the Senate, at 12:30 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

#### APPENDIX.

##### PETITIONS AND MEMORIALS.

Dallas, Texas, August 24, 1914.  
President of the Senate, Speaker of the House, State Capitol, Austin.

Delegates in convention here today of twenty-eight most important cotton counties request legislation to co-operate with Federal government in efforts to assist in handling cotton crop. Resolution adopted that the State Legislature be urged to pass warehouse bill promptly providing for system of loaning money on cotton stored in such warehouses. Texas cotton organization perfected to cover every county and delegates selected to attend Southern Cotton Association at New Orleans, August 27th.

Signed—J. H. Connell, E. G. Senter, W. A. Bowen, Committee.

#### SENATE BILL NO. 1.

The following bill is printed herewith by order of the Senate:

S. B. No. 1. By Senator Wiley.

##### A BILL

To be Entitled

An Act construing the term public cotton warehouse. providing for the con-

struction of public cotton warehouse, requiring ginner to construct buildings or platforms for the protection of ginned cotton, directing how cotton shall be wrapped, records to be kept by ginner; construing the term warehouseman, providing for bond of warehouseman, imposing certain duties upon the Commissioner of Insurance and Banking, providing for the issuance of charter to warehouseman, providing for warehouseman records, and examination of public cotton warehouses, defining the terms samples, loose, linter and bolly, making warehouse receipts negotiable, providing for fees of warehouseman, examination of warehouses and charges for such examination, limiting number of warehouses conducted under one charter; requiring railway companies to shed platform and to transport cotton in closed cars, requiring compresses to be supplied with weather-proof platforms to protect cotton, requiring all persons concentrating cotton to provide suitable platforms and sheds to protect same from damage, providing penalties, repealing all laws in conflict, and declare an emergency.

Be it enacted by the Legislature of the State of Texas:

##### Section 1.

Article 1. The term public cotton warehouse as used in this act shall be construed to include any building, platform or place provided for the weighing and storage of cotton for hire or fees, or as a place to hold or concentrate cotton for compressing or shipment, and offered to the public as a place for deposit and storage of cotton for any such purpose.

Article 2. Every person, firm or corporation conducting a cotton gin in this State for hire or fees payable in money, exchange or products, or by any other thing of value shall provide a building, platform or place of sufficient capacity to store such bales of cotton as they may permit to be and remain on their premises after it has been baled and held for delivery to the owner or agent. Such building, platform or place to be so constructed as to protect the cotton stored therein from becoming wet or otherwise damaged by reason of exposure to weather conditions.

Article 3. Every person, firm or corporation conducting a cotton gin shall require the owner or agent tendering



cotton to be ginned to furnish or provide a sufficient quantity of wrapping material to wrap the bale so as to cover and protect the two round sides and the two ends; and shall keep a record of each and every bale ginned, using a serial number, which shall be so kept as to furnish a ready means of identification of any bale ginned, and shall number the bale corresponding to the record number, which shall be placed on the bale by the use of a good grade of marking ink, and shall tag the bale, using tag number corresponding to record number, which cotton tag shall be of a good grade of material commonly used by the cotton trade.

Article 4. Any person, firm or corporation conducting a cotton gin in this State who may violate any of the provisions of Section 1 of the act shall be guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not less than twenty-five dollars and not more than one hundred dollars, and each day that such violation may be continued shall constitute a separate offense.

#### Section 2.

Article 1. The term warehouseman, as used in this act, shall be construed to include any person, firm or corporation who shall engage in the business of conducting a public cotton warehouse for hire or fees as is provided in this act.

Article 2. Every public cotton warehouse conducted and operated by and under the provisions of this act shall be so constructed as to completely house and protect all cotton stored therein from damage by reason of becoming wet, absorbing moisture or being exposed to weather conditions, and in such manner as to reduce the fire hazard to such an extent as may be reasonable under local conditions.

Article 3. Before any warehouseman shall engage in the business of conducting a public cotton warehouse he shall make application to the Commissioner of Insurance and Banking for a charter authorizing him to engage in the public cotton warehouse business, which said application shall state the name and address of the applicant, the location of the proposed public cotton warehouse, its capacity, name and of what material constructed. The name of the city or place where the proposed public cotton warehouse is to be located shall be a part of the name of each warehouse,

and no two shall be given the same name.

Article 4. Each and every applicant shall execute a bond in an amount in dollars equal to five times the actual capacity of the proposed public cotton warehouse in bales, payable to the Commissioner of Insurance and Banking, at Austin, Texas, for the use and benefit of any and all persons depositing and storing cotton in the public cotton warehouses designated and described in the bond, conditioned that he will faithfully perform his duties as warehouseman, and it shall be a further condition of said bond that applicant will comply with the rules and regulations of said Commissioner of Insurance and Banking governing the payment of fees, keeping necessary records, issuing receipts and making reports.

Article 5. The bond provided for in Article 4 may be executed by the principal and at least two approved sureties or may be executed by the principal and any approved bonding company doing business in this State as surety.

Article 6. Any person who may have a good cause of action against the warehouseman for damage by reason of any act of the warehouseman shall be permitted to recover on said bond by establishing his claim in any court of competent jurisdiction, and any one or more recoveries shall not invalidate said bond until the full amount of said bond has been recovered and paid.

Article 7. Any payment on said bond or impairment of said bond by any means shall be immediately reported to the Commissioner of Insurance and Banking by the principal and sureties of said bond.

Article 8. The Commissioner of Insurance and Banking shall require the execution of a new bond to be substituted and filed in lieu of any bond that has been reported under Article 7.

Article 9. The Commissioner of Insurance and Banking shall upon the filing and approval of an application and bond, as provided in Articles 3 and 4, issue to the applicant a charter authorizing applicant to engage in the public cotton warehouse business, and the Commissioner of Insurance and Banking shall demand and receive a fee of \$5.00 for each and every charter so issued, which shall be paid into the general fund of the State. All charters issued shall be numbered consecutively and registered in a book provided for that purpose.

Article 10. All public cotton warehouse receipts issued by any warehouseman, as provided in this act, shall be uniform, and the Commissioner of Insurance and Banking shall prepare and adopt uniform receipts, a copy of which shall be furnished each applicant with his charter. Each receipt shall bear the name and number of the public cotton warehouse, which number shall be the same as the charter number, the date issued, to whom issued, the weight of the bale of cotton for which the receipt was issued, the warehouse number of the bale, such notation as may be necessary to show the condition of the bale when received, a statement to the effect that the bale will be delivered upon surrender and cancellation of the receipt, that the receipt is transferable upon delivery, and the words "Bonded Public Cotton Warehouse Receipt" shall be printed on the margin of the receipt.

Article 11. When the warehouseman has received the charter provided for in this act, he shall provide all necessary records for the purpose of keeping a true and correct record of each bale of cotton placed in his warehouse, using a serial number, showing the name of the person depositing or storing the bale, his postoffice address and a number corresponding to the record number shall be placed on the bale by the use of a good grade of marking ink, and shall tag the bale, using number corresponding to record number and the tag used shall be of good quality commonly used by the cotton trade.

The record of each bale shall be so kept as to furnish a ready means of identification of any bale handled by the warehouseman. He shall also obtain a supply of public cotton warehouse receipts, using the form adopted by the Commissioner of Insurance and Banking, and no form other than that adopted shall be issued or used by any warehouseman acting by authority of this act. No receipt shall be issued for more than one bale.

Article 12. All warehousemen acting by authority of this act shall procure and keep accurate and well adjusted scales and balances and give accurate weights, and shall have the same tested and certified to as provided by law.

Article 13. At such time as the warehouseman may have received his charter, paid his fees, constructed his warehouse, obtained all necessary records, receipts, scales and balances, and has complied with all the requirements of

this act and the requests and orders of the Commissioner of Insurance and Banking he shall open his warehouse and begin the actual business of receiving, weighing and storing cotton, as is provided in this act.

Article 14. No public cotton warehouse chartered under this act shall be used for any purpose other than for the weighing and storing of cotton during such time as there may be one or more bales of cotton stored therein.

Article 15. The warehouseman shall issue his receipt for each bale of cotton received by him, and shall make all such records as is provided for by this act.

Article 16. Terms construed:

The term "linter" shall be construed to include all cotton that has been baled by means of reginning the seed.

The term "samples" shall be construed to include all cotton baled by the use of samples drawn from the bale of cotton in the course of trade.

The term "loose" shall be construed to include all cotton baled by the use of yard, warehouse and compress cleaning and pickings.

The term "bolly" shall be construed to include all cotton baled from cotton that has been nulled and ginned by gins equipped with hullers.

Article 17. A warehouseman issuing a receipt for a "linter" shall write the word "linter" on the receipt.

A warehouseman issuing a receipt for a bale of "samples" shall write the word "samples" on the receipt.

A warehouseman issuing a receipt for a bale of "loose" shall write the word "loose" on the receipt.

A warehouseman issuing a receipt for a "bolly" shall write the word "bolly" on the receipt.

The word linter, sample, loose or bolly, when written upon any receipt, shall be placed and written as to readily attract the attention of persons handling the receipt.

Article 18. No warehouseman shall ship, reship nor by any other means transfer or remove the stored cotton from his warehouse except upon the written order of the owner of the cotton, and upon such removal he shall demand the surrender of each and every receipt issued for the bales of cotton being removed, and the owner shall deliver and surrender the receipts upon delivery of the cotton. The order for delivery may be written upon the back of the receipt or may be in the form of

an ordinary shipping list, but shall be signed by the owner of the cotton or his duly constituted agent.

Article 19. The warehouseman shall receive the following fees for services rendered:

For each bale of cotton weighed, not exceeding ten cents.

For marking, sampling and preparing for shipment or delivery, not exceeding twenty-five cents per bale. If a bale remains in the warehouse longer than ten days the warehouseman shall receive a fee of fifteen cents per bale for the first twenty days after the expiration of the first ten-day period, and thereafter per bale per month or fraction of a month, if removed sooner, not exceeding twenty-five cents.

Article 20. The warehouseman shall cancel all receipts delivered to him upon delivery of cotton, and shall keep and retain all such receipts as part of the records of his office. Duplicate receipts may be issued in lieu of original receipts that may be lost or destroyed upon the owner making oath as to the facts and executing an indemnity bond to the warehouseman in double the amount of the value of the cotton represented by the lost receipt, which bond shall be subject to approval by the warehouseman. The duplicate shall be plainly marked "Duplicate," and the warehouseman shall keep a true record of all such duplicates issued.

Article 21. No two or more warehouses shall be conducted under one charter in different towns or cities, but any warehouseman may establish as many branch warehouses in the same town or city as may be necessary to properly care for and house all cotton handled by him; provided, that the establishment of a branch warehouse shall be first reported to the Commissioner of Insurance and Banking and a bond filed, subject to the approval of said Commissioner, in an amount equal to five times the actual capacity of the branch warehouse.

Article 22. Every warehouseman shall make such reports as may be requested by the Commissioner of Insurance and Banking, and shall pay to said Commissioner, for the use and benefit of general fund of the State, an annual tax of five dollars. The records of his office shall be public records and subject to examination by any citizen at all reasonable hours.

He shall submit all records, papers and cotton on hand to an examination

by the Department of Insurance and Banking when requested so to do.

Article 23. The Commissioner of Insurance and Banking shall cause an examination of each public cotton warehouse to be made at least one time during each year, and may make other and more frequent examinations where conditions justify or require, provided that no warehouseman shall be required to pay for more than two examinations in any one year.

Article 24. The Commissioner of Insurance and Banking shall receive the following fees for making examinations provided for in Article 23, which he shall pay into the general fund of the State. Examining warehouses handling 1000 bales or less per annum, ten dollars; 1000 to 5000 bales per annum, fifteen dollars; 5000 to 10,000 bales per annum, twenty dollars, and an additional fee of five dollars for every 1000 bales handled per annum in excess of 10,000 bales, over and above twenty dollars for first 10,000 bales.

Article 25. Any warehouseman who shall violate any of the provisions of this act relating to a warehouseman shall be guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not less than twenty-five dollars nor more than five hundred dollars, and in addition thereto may have his charter forfeited authorizing him to conduct the business of a warehouseman.

### Section 3.

Article 1. Every railway or transportation company doing business in this State and handling cotton for hire shall prepare a suitable platform at each of its shipping points where cotton is handled for the receipt of cotton for shipment, which platform shall be so shedded and constructed as to completely protect all such cotton from becoming wet or in any way damaged by exposure to weather conditions.

Article 2. Every railway or transportation company handling cotton shall furnish cars for shipping cotton that are so constructed as to prevent cotton loaded therein from becoming wet or otherwise damaged by exposure. It shall be a violation of this act for any such railway or transportation company to haul or transport baled cotton in open or flat cars.

Article 3. Any railway or transportation company violating any of the provisions of Section 3 of this act shall be liable to any person who may sus-

tain damages by reason of their failure to comply with the terms and conditions of said section, and in addition may be subjected to a penalty of not less than twenty-five dollars and not more than one hundred dollars, and each day that they may fail or refuse to so comply with any part of the provisions of said section shall constitute a separate offense.

#### Section 4.

Article 1. Every person, firm or corporation owning, leasing, controlling or operating a compress in this State shall construct and prepare a cotton platform or cotton warehouse of sufficient capacity to house and care for such cotton as may be delivered to them for compressing, and the said platform or cotton warehouse shall be so constructed as to prevent cotton stored or held therein becoming wet or otherwise damaged by reason of weather conditions.

Article 2. Any person, firm or corporation owning, leasing, controlling or operating a compress in this State who may violate any of the provisions of Article 1, Section 4, of this act shall be guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not less than one hundred dollars nor more than five hundred dollars, and each day that they may fail or refuse to comply with this act shall constitute a separate offense.

#### Section 5.

Article 1. Every person, firm or corporation concentrating cotton at any point in this State for shipment or transportation shall furnish, construct and provide suitable platforms and buildings to protect all such cotton from exposure to weather conditions, and to prevent said cotton becoming wet and otherwise damaged.

Article 2. Every person, firm or corporation violating all or any part of Article 1, Section 5, of this act shall be guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not less than one hundred dollars and not more than five hundred dollars, and each day that the violation may be continued shall constitute a separate offense.

Article 3. All laws and parts of laws in conflict herewith are hereby repealed.

Article 4. The local conditions in each community, town and city shall be given full consideration, and no forfeitures or penalties shall be imposed

under this act until such time as the parties at interest may have had a reasonable time to make such improvements and changes in business. Pending such time as changes are being made by the construction of improvements the former statutes shall apply and be effective.

Article 5. Should any section or article of this act be declared unconstitutional or void for any reason it shall not affect the validity and enforcement of any other portion of same.

Article 6. The importance of the legislation proposed in this act and the relief to be had hereunder, and the fact that the present session of the Legislature may expire within a few days, renders it improbable that this bill can be read on three several days in each house, and thereby creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and that this act take effect from and after its passage, and it is so enacted.

### HOUSE BILL NO. 1—EMERGENCY WAREHOUSE BILL.

The following bill is printed herewith by order of the Senate:

#### A BILL

#### To be Entitled

An Act to preserve the credit of the citizens of the State of Texas generally and to prevent the sacrifice of a large part of the products of its industry; to assist in maintaining the solvency of the banks chartered by the State and to preserve intact the depositors' guaranty fund; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency which may be issued by the national government and generally to preserve the credit and industrial and financial integrity of the State; authorizing and requiring the Commissioner of Insurance and Banking to establish a State warehouse system for the storing of cotton in bales, wheat in elevators, and other products of industry; prescribing the

terms and conditions and rules and regulations under which such officer shall establish said warehouse system, conferring certain authority upon him with reference thereto and conferring authority upon incorporated cities and towns to contribute to the cost and expense of such system in their respective locations and conferring authority upon private corporations to make contributions for such purpose; authorizing the Commissioner to appoint managers at each local warehouse, fixing the bond and defining the duties of such managers; prescribing the terms and conditions of warehouse receipts to be issued by the managers of warehouses established by the Commissioner of Insurance and Banking, and prescribing when and under what conditions such receipts may be issued and when duplicates may be issued; defining negotiable and non-negotiable receipts; prescribing when property placed in State warehouses shall be delivered upon the surrender of receipt and all terms and conditions, rules and regulations governing State warehouses established by the Commissioner of Insurance and Banking; defining the liability of the State as a public warehouseman and permitting suits to be brought against it as such; prescribing the venue thereof; prescribing that the Commissioner of Insurance and Banking shall fix the charges for storage; authorizing the Commissioner of Insurance and Banking to have all products stored in State warehouses insured; defining what character of buildings may be used for warehouse and storage purposes; providing for the appointment of warehouse examiners by the Commissioner of Insurance and Banking, prescribing their duties, conferring authority upon the Commissioner of Insurance and Banking to have State warehouses examined by the State bank examiners; providing how the warehouseman's lien provided for in the measure may be satisfied; stating when the Commissioner of Insurance and Banking shall cease to receive cotton in storage under the act; declaring that all public cotton gins are charged with the public use and levying an occupation tax of 10 cents per bale against each public cotton ginner in the State; creating special fund to be used only in the administration of this law; defining the standard of weights and measures and classification to govern the Commissioner in

administering this act; creating certain penal offenses to secure the enforcement of the act and prescribing penalties therefor; making an appropriation to carry out the provisions of this act, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. It is declared that this act is an emergency measure, made necessary by the conditions brought about by the wars on the continent of Europe.

The purpose of this act is to preserve the credit of the citizens generally of the State; prevent the sacrifice of a large part of the products of its industry now impending and due to the calamities and exigencies of war; to assist in maintaining the solvency of the banks chartered by the State of Texas, and preserve intact the depositors' guaranty fund; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued by the national government, or other relief issues of money or currency made by the national government or authorized to be made by it; and generally to preserve the credit and industrial and financial integrity of the State.

Sec. 2. This act shall be administered by the Commissioner of Insurance and Banking. To aid him in this work he is empowered to appoint a chief clerk of the warehouse division of his department, who shall perform the duties usually incident to that character of position and such other duties as may be assigned him by the Commissioner. Such chief clerk shall be paid the sum of three thousand (\$3000) dollars per annum, payable monthly, and shall hold his position at the will of the Commissioner. The Commissioner of Insurance and Banking shall also have authority to employ such clerks, stenographers, experts, managers, examiners, and such other help as may be necessary in carrying out the provisions of this measure. All those employed by the Commissioner for any purpose shall receive such salary and compensation as may be fixed by him, except as herein otherwise provided, and, in addition thereto, shall,

when traveling on official business receive their actual necessary traveling expenses.

Sec. 3. It shall be the duty of the State banks chartered under the laws of this State to render the Commissioner such assistance as he may request in putting into effect, and in administering this act.

Sec. 4. As soon as this act goes into effect the Commissioner shall establish in each town or city of this State, whether incorporated or unincorporated, where the demand therefor is reasonably sufficient to justify the outlay, a State warehouse for the storage of cotton in the bale, and shall store the same and issue receipts therefor in the manner herein provided. Only in cases of extreme necessity and when the income will probably justify the outlay shall the Commissioner erect or purchase warehouses, but he shall rent and lease the same. Should the Commissioner, however, find it necessary to erect or purchase a warehouse he shall take title thereto in his name as Commissioner of Insurance and Banking, and when he ceases to use such property under the provisions of this act he shall sell the same, execute a proper deed thereto in the name of the State and place the proceeds thereof in the special fund created by this act.

Before establishing any warehouse hereunder in any incorporated city or town the Commissioner may, in his discretion, require such city or town to agree to pay and to pay all or any part of the cost of establishing and operating such warehouse; and authority is hereby conferred upon all incorporated cities and towns and villages of this State to appropriate and use as much of their general funds as may be necessary for such purpose. The Commissioner may also, in his discretion, before establishing any warehouse hereunder at any place require the citizens of such place, represented by some responsible body or committee, to agree to pay and pay all or any part of the cost of establishing and operating such warehouse, and authority is hereby conferred upon all private corporations, chartered under the laws of the State of Texas, to contribute so much of their funds as may be necessary for such purpose, in aiding the citizens of any particular place to obtain in the manner suggested the establishment and maintenance of a warehouse under this act.

Sec. 5. Each warehouse shall be in charge of a manager to be appointed by

the Commissioner, who shall be competent to keep the books required to be kept and to grade and classify cotton. The manager shall give bond payable to the State at Austin, Texas, in the sum of two thousand five hundred (\$2500) dollars in towns or cities of a population of less than twenty-five hundred (2500); five thousand (\$5000) dollars in towns and cities of a population exceeding twenty-five hundred (2500) and less than ten thousand (10,000); seven thousand five hundred (\$7500) dollars in towns and cities of a population exceeding ten thousand (10,000) and less than twenty-five thousand (25,000); and in the sum of ten thousand (\$10,000) dollars in towns and cities of a population exceeding twenty-five thousand (25,000). The population shall be ascertained by multiplying the number of school children shown by the last preceding school census within the limits of such town, city or village by five. There shall be but one manager in each town, city or village, regardless of the fact that the Commissioner may establish any number of warehouses in each such town, city or village. The bond of the manager shall be conditioned for the faithful and competent discharge of his duties under this act, and shall be in form drawn by the Attorney General. The manager of warehouses in each such town, city or village shall receive such salary as may be fixed by the Commissioner and shall employ such help as may be necessary in the discretion of the Commissioner.

Each manager shall have a certificate signed by the Commissioner of Insurance and Banking showing his appointment as manager, which he shall keep displayed in his office at the warehouse.

Sec. 6. Warehouses established under this act shall be conducted under rules fixed by the Commissioner of Insurance and Banking, in order to effectively carry out its provisions, and it shall be the duty of the Commissioner, as soon as may be after organizing this division of his department, to promulgate rules and regulations and forms by which the provisions of this law may be carried out.

Sec. 7. Each warehouse receipt issued hereunder shall bear the date of issuance and shall state upon its face the name and number of the warehouse and its location, the description, quantity, number and marks of the cotton there stored, and shall state the class and weight of the same, and the date on which it was originally received in the warehouse,

and that it is deliverable upon the return of the receipt properly endorsed by the person to whose order it was issued and upon payment of all charges for storage and insurance, which charges shall be stated on the face of the receipt, to secure all of which the State shall have a warehouseman's lien.

All such receipts shall be numbered consecutively in the order of their issuance, and shall state whether the cotton therein described is exposed to the weather or under shelter. A correct record of such receipts shall be kept in a well bound book, which shall be at all reasonable hours open to examination by any interested person.

No two receipts bearing the same number shall be issued from the same warehouse during the same year, nor shall any duplicate receipts be issued, except in the case of a lost or destroyed receipt, in which case a new receipt shall bear the same date and number as the original and shall be plainly marked on its face "duplicate." A receipt in which it is stated that the goods shall be delivered to the recipient or to any other specified person is a non-negotiable receipt. A non-negotiable receipt shall have plainly marked upon its face by the manager issuing it "non-negotiable" or "not negotiable." A receipt in which it is stated that the goods will be delivered to the bearer or to the order of any person named in such receipt is a negotiable receipt.

In addition to other provisions each receipt shall have a blank form on the back thereof to be filled in and signed by the owner of the cotton, showing whether such cotton is free from encumbrance or liens of any kind. If there is any encumbrance or liens of any kind on said cotton at the time of its storage the nature and amount of the same shall be clearly set out and it is made the duty of the manager issuing the receipt to have said blank filled in and signed by the owner of the cotton before issuing a negotiable receipt for the same; provided, however, such statement may not be made if a non-negotiable receipt is desired.

If the person holding a non-negotiable receipt shall desire to obtain a negotiable receipt in lieu thereof he shall return said non-negotiable receipt to the warehouse issuing the same and thereupon shall comply in every respect with the provisions of this act relating to negotiable receipts, upon compliance with which a negotiable receipt shall be issued to him in lieu of said non-ne-

gotiable receipt and said non-negotiable receipt shall thereupon be cancelled, and the word "cancelled" plainly marked or stamped in ink across the face thereof.

No warehouse receipt shall be issued except on the actual previous delivery of the goods in the warehouse or on the premises and under the control of the manager thereof.

A duplicate shall not be issued until the person applying therefor gives a bond equal to the value of the goods for which the same is issued, which bond shall be given under such rules and regulations as the Commissioner may prescribe.

Sec. 8. Upon the presentation and return to the warehouse of any public warehouse receipt issued by its manager and properly endorsed, and the tender of all proper warehouse charges upon the property represented by it, such property shall be delivered immediately to the holder of such receipt, but the manager of such warehouse who shall issue a receipt for cotton shall not, under any circumstances or upon any order or guaranty, deliver the property upon which receipts have been issued until such receipts have been delivered and cancelled, except in case of lost receipts; and upon any default in strict compliance with the terms of this article the manager shall be held liable not only to the State on his bond but to the lawful holder of the receipt for the full value of the property therein described; and shall further be liable to the special penalty herein provided.

Upon delivery of the goods in a warehouse upon any receipt such receipt shall be plainly marked or stamped in ink across the face thereof with the word "cancelled," together with the name of the manager cancelling the same, and shall thereafter be void and shall not again be put into circulation, but shall be filed for further inspection.

Sec. 9. The liability of the State shall be that of a public warehouseman and suits may be brought against the State for any liability arising in favor of any one who has stored cotton in warehouses under this act, either at Austin, in Travis county, Texas, or in the county in which is located the warehouse where the cause of action accrued; service may be had upon the Commissioner of Insurance and Banking, or upon the local manager of the warehouse.

But in all instances before suit may be brought and maintained a statement of the claim, properly sworn to, g<sup>1</sup>

the amount thereof, and the manner in which it arose, shall be delivered in person or by mail to the Commissioner of Insurance and Banking within ninety days after the accrual of the cause of action, or such notice may be given by delivering a copy of the same to the local manager of the warehouse at which the cause of action arose. No personal liability shall attach to the Commissioner of Insurance and Banking for any action done by him or by his managers under the terms of this act.

Sec. 10. A negotiable receipt issued against cotton stored in a warehouse under this act shall be negotiable and transferable by endorsement in blank or by special endorsement and delivery in the same manner and to the same extent as bills of exchange and promissory notes now are, without any other formality; and the transferee or holder of such warehouse receipt shall be considered and held as an actual and exclusive owner to all intents and purposes of the property therein described, subject only to the lien and privileges of the warehouse for storage, insurance and other warehouse charges; provided, however, that all such warehouse receipts that shall have the words non-negotiable plainly marked or stamped on the face thereof shall be exempted from the provisions of this section.

The manager of each warehouse shall keep a carbon copy of each receipt, whether negotiable or non-negotiable, issued by him and which shall have printed in large letters across the face of the same "Carbon Copy." Such carbon copy shall be of no value for any purpose, except as part of the records of the office of the manager issuing the same.

Sec. 11. All charges for storage shall be fixed by the Commissioner and need not be necessarily the same at all places, but shall be fixed by him, taking into consideration the amount of cotton, local conditions and necessities, the object in view being to collect a sufficient amount at each local warehouse to pay for its operation, but at the same time make the rates reasonable and just. The Commissioner shall in his rules and regulations prescribe when insurance, warehouse charges and other charges shall be due and payable.

Sec. 12. All cotton placed in warehouses shall be insured by the Commissioner, either by individual policies or by blanket policies covering any and all cotton in any State warehouse, the method and manner of securing the in-

surance to be left to the judgment, discretion and experience of the Commissioner. In the event of any loss or damage the Commissioner shall collect the insurance due and pay the same over ratably and equitably to those lawfully entitled to the same. All insurance policies shall be issued in the name of the Commissioner of Insurance and Banking.

All cotton placed in a warehouse must be insured and the premium shall be collected from the owner of the cotton by the Commissioner and the State shall have warehouseman's lien for the insurance on the cotton, the same as it has for storage charges.

Sec. 13. Cotton shall not be stored in wooden buildings and none shall be stored in anything but waterproof buildings, so that the entire bale shall be protected from the weather. The Commissioner shall equip all places of storage with such practical fire protection as the location and necessities of the warehouse will permit and in all instances every practical safeguard shall be taken, and in the rules and regulations to be formed by the Commissioner governing his managers he shall set forth the general details of the system of fire protection and shall enforce the same; to this end he shall have the right to call to his assistance all the experts, engineers and employes of the State Fire Insurance Commission.

Sec. 14. All warehouse receipt books shall be designed by the Commissioner and printed under his direction and be furnished each warehouse by him, each receipt being numbered and accounted for by the manager under such rules as the Commissioner may provide. Each receipt shall contain the lithographed or engraved signature of the Commissioner of Insurance and Banking and the lithographed or engraved seal of his Department, but the same shall be signed with pen and ink by the local manager.

Sec. 15. All local managers shall make daily reports, if required, to the Commissioner of Insurance and Banking, showing the amount, grade, character, classification and weight of cotton received and delivered by him and from whom received and to whom delivered; said reports to be in such form as may be designed by the Commissioner of Insurance and Banking. Such manager shall also make such other reports as may be required by the Commissioner. All reports required by the Commissioner shall contain such other in-



formation as may be requested by the Commissioner.

Sec. 16. The Commissioner of Insurance and Banking shall appoint a sufficient number of warehouse examiners to visit each local warehouse from time to time and carefully examine the records kept by the managers and the contents of said warehouses, and make such reports to the Commissioner of Insurance and Banking relative thereto and relative to all other matters that may be required and specified by the Commissioner concerning such warehouses. Such examiners shall visit each warehouse at least twice during each cotton season and at such other times as may be designated by the Commissioner of Insurance and Banking.

Sec. 17. Every warehouse examiner appointed by the Commissioner shall be an expert bookkeeper and accountant and cotton classer, and before entering upon the duties of his office shall take and file in the office of the Commissioner the constitutional oath, and in addition thereto shall take an oath to make fair and impartial examinations and that he will not accept as presents or emoluments any pay, directly or indirectly, for the discharge of any act in the line of his duty other than the remuneration accorded and fixed by law; and that he will not reveal the condition of any warehouse examined by him or of any storage account examined by him or give any information secured in the course of examination to any one except to the Governor, the Commissioner and the Attorney General; and except when required to do so in the enforcement of the law upon the order of a district or county judge.

No such examiner shall be appointed who is at the time an officer or stockholder in any warehouse company or warehouse corporation or a member of any firm or an officer of any corporation engaged in the purchase or sale of cotton or cotton products.

Each such examiner shall enter into a bond payable to the State, in the sum of ten thousand dollars (\$10,000), to be approved by the Commissioner and deposited in his office, conditioned that he will faithfully perform his duties as such examiner.

As full compensation for the performance of the duties of examiner each person so appointed shall be entitled to receive a salary of two thousand dollars (\$2000) per annum, and all necessary traveling expenses. An itemized account of such expenses shall be ren-

dered monthly under oath by each examiner and shall be approved by the Commissioner. Provided, however, the Commissioner may, in his discretion, cause State Bank Examiners to perform the duties of Warehouse Examiners in addition to their duties as State Bank Examiners, where such action will be economical, desirable and practical; in such instance, however, it will not be necessary for the State Bank Examiner to make any additional bond or take any additional oath. The expense of any examination by a State Bank Examiner shall be borne by the funds appropriated for the enforcement of this law. State Bank Examiners performing the duties of State Warehouse Examiners shall during the time they perform such additional duty receive as additional compensation therefor the sum of fifty dollars (\$50) per month.

Sec. 18. The Commissioner shall have authority and it shall be his duty if he finds it necessary in addition to local warehouses to prepare and maintain warehouses at points of concentration.

Sec. 19. The warehouseman's lien herein provided for when same has become due may be satisfied as follows:

The manager shall give a written notice to the person on whose account the goods are held, and to any other person known by the manager to claim an interest in the goods. Such notice shall be given by delivery in person or by registered letter addressed to the last known place of business or abode of the person to be notified. The notice shall contain:

(a) An itemized statement of the manager's claim, showing the sum due at the time of the notice and the date or dates when it became due.

(b) A brief description of the goods against which the lien exists.

(c) A demand that the amount of the claim as stated in the notice, and of such further claim as shall accrue shall be paid on or before a day mentioned, not less than ten days from the delivery of the notice if it is personally delivered, or from the time when the notice should reach its destination, according to the due course of post, if the notice is sent by mail, and

(d) A statement that unless the claim is paid within the time specified the goods will be advertised for sale and sold by auction at a specified time and place.

In accordance with the terms of a notice so given, a sale of the goods by auction may be had to satisfy any

valid claim of the manager for which he has a lien on the goods. The sale shall be had in the place where the lien is acquired, or, if such place is manifestly unsuitable for the purpose, at the nearest suitable place. After the time for the payment of the claim specified in the notice to the depositor has elapsed, an advertisement of the sale, describing the goods to be sold, and stating the name of the owner or person on whose account the goods are held, and the time and place of the sale shall be published in the place where such sale is to be held. The sale shall not be held less than fifteen days from the time of the first publication. If there is no newspaper published in such place, the advertisement shall be posted at least ten days before such sale in not less than six conspicuous places therein.

From the proceeds of such sale the manager shall satisfy the lien, including the reasonable charges of notice, advertisement and sale; and balance, if any, of such proceeds shall be held by the manager, and delivered on demand to the person to whom he would have been bound to deliver or justified in delivering the goods.

At any time before the goods are so sold any person claiming a right of property or possession therein may pay the warehouse manager the amount necessary to satisfy his lien and to pay the reasonable expenses and liabilities incurred in serving notices and advertising and preparing for the sale up to the time of such payment. The manager shall deliver the goods to the person making such payment if he is a person entitled, under the provisions of this act, to the possession of the goods on payment of charges thereon. Otherwise the manager shall retain possession of the goods according to the terms of the original contract of deposit.

Sec. 20. The Commissioner shall cease to receive cotton for storage under this act on the first day of March, A. D. 1916, this act being intended as an emergency measure but he may sooner cease at any one or more places when the demands of the public do not justify the further operation of any particular warehouse or warehouses.

Sec. 21. No action shall be brought against the Commissioner or his local managers for any lawful action taken under this act, but all such suits shall be brought against the State; and the same shall be defended by the Attorney General, but the Commissioner may, if

necessary, employ counsel in any particular suit.

Sec. 22. All public cotton gins are declared to be charged with the public use and shall not be permitted to operate, except by paying the occupation tax herein specified. By a public cotton gin is meant one which gins cotton for the public generally. There is hereby imposed upon all such ginners, whether they are individuals, partnerships, joint stock associations or corporations, in addition to all other taxes paid by them an occupation tax of ten cents per bale for each and every bale of cotton ginned by them after this act goes into effect, which amount, together with a list of the cotton ginned by them and the numbers of each bale, shall be remitted to the Commissioner of Insurance and Banking at Austin, in Travis county, Texas, on the first and fifteenth days of each month, each report containing the number of bales ginned for the previous fifteen days, together with ten cents tax for each bale so ginned. The Commissioner of Insurance and Banking will receipt the ginner for each remittance thus made, which receipt shall be a license authorizing the ginner to continue to gin cotton until he is required by this law to make another report of his taxes. The Commissioner of Insurance and Banking and any one appointed by him for such purpose shall have access to the books and records of any and all public ginners for the purpose of ascertaining the number of bales of cotton ginned by such ginners and the amount of taxes due and in default of payment of such taxes shall report such fact to the Attorney General who shall bring, or cause to be brought, the necessary suits for the collection of the same, as well as to prohibit further operation of any gin by such ginner or ginners until such tax is paid.

Sec. 23. All charges, funds, dues and taxes collected under this act shall constitute a special fund to be used only in the administration of this law and paying obligations hereunder until further action be taken by the Legislature; and all such funds are hereby appropriated for such purposes.

In addition the foregoing there is also hereby appropriated out of any funds in the Treasury not otherwise appropriated for the two years ending August 31, 1916, the sum of \_\_\_\_\_ dollars or so much thereof as may be necessary for administering the affairs of this division of the Department of Insurance and Banking.

Sec. 24. In the event the Commissioner should have space in any particular warehouse in excess of its use for cotton he may store and issue receipt for other non-perishable farm products, but the general purpose of this law is the storage of cotton, and the storage of all other farm products shall be incidental and optionary with the Commissioner as to each particular warehouse.

Sec. 25. The standards of weights and measures of this State shall be the standards of weights and measures used under this act. It shall be the duty of the Commissioner to establish standards of classification for cotton and the originals of such standards shall be maintained subject to inspection in his office in the State Capitol. Duplicates of said classification of cotton, as well as standards of weights and measures, shall be furnished to the managers of each warehouse as soon as may be done. The standards of classification of cotton shall be the same as those established by the Standard Cotton Exchanges of the United States: but it shall not be necessary for the manager of any particular warehouse to receive such standards from the Commissioner before he may begin operation; it is only intended by this provision that such standards shall be ultimately furnished when the Commissioner is able to furnish the same.

Sec. 26. The manager of any warehouse operating hereunder or any employee or servant at a warehouse who issues or aids in issuing a receipt, knowing that the goods for which said receipt is issued have not been actually received in the warehouse or are not under the control of the manager thereof, shall be guilty of a felony and upon conviction shall be punished for each offense by confinement in the State penitentiary for a period not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 27. Any manager of a warehouse or any employee or servant at a warehouse who fraudulently issues or aids in fraudulently issuing a receipt for goods, knowing that the same contains any false statement, other than that defined by Section 26 hereof, shall be guilty of a felony and upon conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding two years or by fine not exceeding one thou-

sand dollars, or by both such fine and imprisonment.

Sec. 28. Any manager of or any employee or servant at a warehouse under this act who issues or aids in issuing a duplicate or additional negotiable receipt for goods, knowing that a former negotiable receipt for the same, or any part thereof, is outstanding and uncanceled, without plainly placing on the face thereof the word "duplicate," except in the case of a lost or destroyed receipt, shall be guilty of a felony and on conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 29. Any manager of a warehouse or servant or employee at a warehouse who delivers goods out of the warehouse, knowing that a negotiable receipt the negotiation of which would transfer the right of the possession of the goods is outstanding and uncanceled, without obtaining possession of such receipt at or by the time of its delivery, except in case of a lost or destroyed receipt, shall be guilty of a felony and upon conviction shall be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding one year or by a fine not exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 30. Any person who deposits goods in a warehouse under this act, which he has no title or upon which there is a lien or mortgage and who takes for such goods a negotiable receipt which he afterwards negotiates for value with intent to deceive, and without disclosing his want of title or the existence of a lien or mortgage, shall be guilty of a felony, and upon conviction shall be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 31. Any person who wilfully and knowingly violates any of the provisions of this act for which a penalty is not otherwise provided, or who wilfully and knowingly does any act or thing prohibited by this act for which a penalty is not otherwise provided, or who wilfully or knowingly fails to do anything herein provided for, for which a penalty is not otherwise provided, shall be guilty of a misdemeanor and upon conviction shall be punished by

a fine of not exceeding one thousand dollars or by confinement in the county jail for a term not exceeding one year or by both such fine and imprisonment.

Sec. 32. Only cotton or other products grown in the State of Texas shall be stored in warehouses operating under this act.

Sec. 33. It is further provided that the Commissioner may lease wheat and grain elevators, and store and issue receipts for wheat and grain in the same manner as herein provided for cotton, and to the same extent, should it become necessary in furtherance of the general public purpose of this act; and that in so doing all the provisions of this measure with reference to cotton shall apply, so far as practicable.

Sec. 34. If any particular section of this act shall be held unconstitutional such holding shall not invalidate any other portion thereof.

Sec. 35. The importance of the legislation proposed in this act and the necessity of providing immediately sufficient warehouses to store the cotton products of this State, in view of the financial disturbances due to the European wars, creates an emergency and an imperative public necessity requiring that the constitutional rule providing bills shall be read on three several days in each house shall be suspended and the said rule is so suspended and this act shall take effect from and after its passage and it is so enacted.

#### FOURTH DAY.

Senate Chamber,  
Austin, Texas,

Thursday, August 27, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Harley.
Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	McGregor.
Clark.	McNealus.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Wiley.

Absent.

Nugent Willacy.  
Westbrook.

Absent—Excused.

Morrow.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Cowell.

#### EXCUSED.

On account of important business:

Senator Willacy, for today and balance of this week, on motion of Senator Watson.

Senator Nugent, indefinitely, on motion of Senator McNealus.

#### SIMPLE RESOLUTION.

By Senator McNealus:

Resolved, That the following names be added to the list of stenographers or typewritists to be employed by the Senate during the Second Called Session of the Thirty-third Legislature, in accordance with the terms of a resolution providing for such employes adopted August 24, being the first day of said Special Session; and provided further that said additional stenographers or typewritists shall receive the same pay for their services as heretofore provided for: Mrs. Mabel Kinzey, Miss Lila Fuller, Hayden Moore, Miss Daisy Reedy, Mrs. M. Morrison.

The resolution was read and adopted.

#### SIMPLE RESOLUTION.

By Senator McGregor, by request:

Whereas, Bills are now pending before the Interstate Commerce Committee of the national House of Representatives, and before the Public Health Committee of the Senate of the United States, which contemplate the conversion of military or other reservations no longer used by the Federal government into sanatoria and hospitals for the care of some of the indigent stranger consumptives who come to the Southwest in large numbers; and

Whereas, It is desired to secure an early and favorable committee report upon these bills so that they may be considered at the present session of Congress; therefore, be it

Resolved, That the Texas congress-

sional delegation is hereby requested to use every effort to secure a favorable committee report upon these bills at the earliest possible moment; and be it further

Resolved, That the Secretary of the Senate is hereby instructed to send a copy of this resolution to all Texas Senators and Congressmen.

The resolution was read and adopted.

### BILLS AND RESOLUTIONS.

By Senators Collins, Willacy and Warren:

S. B. No. 4, A bill to be entitled "An Act to preserve the credit of the citizens of the State of Texas generally and to prevent the sacrifice of a large part of the products of its industry; to assist in maintaining the solvency of the banks chartered by the State and to preserve intact the depositors' guaranty fund; to maintain the integrity of the actual value of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency which may be issued by the National Government and generally to preserve the credit and industrial and financial integrity of the State; authorizing and requiring the Commissioner of Insurance and Banking to establish a State warehouse system for the storing of cotton in bales, wheat in elevators, and other products of industry; prescribing the terms and conditions and rules and regulations under which such officer shall establish said warehouse system, conferring certain authority upon him with reference thereto and conferring authority upon incorporated cities and towns to contribute to the cost and expense of such system in their respective locations and conferring authority upon private corporations to make contributions for such purpose; authorizing the Commissioner to appoint managers at each local warehouse, fixing the bond and defining the duties of such managers; prescribing the terms and conditions of warehouse receipts to be issued by the managers of warehouses established by the Commissioner of Insurance and Banking, and prescribing when and under what conditions such receipts may be issued and when duplicates may be issued; defining negotia-

ble and non-negotiable receipts; prescribing when property placed in State warehouses shall be delivered upon the surrender of receipts and all terms and conditions, rules and regulations governing State warehouses established by the Commissioner of Insurance and Banking; defining the liability of the State as a public warehouseman and permitting suits to be brought against it as such; prescribing the venue thereof; prescribing that the Commissioner of Insurance and Banking shall fix the charges for storage; authorizing the Commissioner of Insurance and Banking to have all products stored in State warehouses insured; defining what character of buildings may be used for warehouse and storage purposes; providing for the appointment of warehouse examiners by the Commissioner of Insurance and Banking, prescribing their duties, conferring authority upon the Commissioner of Insurance and Banking to have State warehouses examined by State Bank Examiners; providing how the warehouseman's lien provided for in the measure may be satisfied; stating when the Commissioner of Insurance and Banking shall cease to receive cotton in storage under the act; declaring that all public cotton gins in this State are charged with the public use; creating special fund to be used only in the administration of this law; defining the standard of weights and measures and classification to govern the Commissioner in administering this act; creating certain penal offenses to secure the enforcement of the act and prescribing penalties therefor; making an appropriation to carry out the provisions of this act; defining the word 'Commissioner,' as used in this act; providing for tags on cotton bales; and declaring an emergency."

Read first time and referred to Committee on Commerce and Manufactures.

By Senator Wiley:

S. B. No. 5, A bill to be entitled "An Act creating a Department of Co-operative Cotton Marketing to be located at Austin, Texas, providing for necessary office room, equipment, examiners and clerical assistants; providing for the appointment of a Commissioner to be known as the Commissioner of Co-operative Cotton Marketing; providing for the organization of co-operative cotton marketing associations; prescribing duties of the Commissioner of Co-operative Cotton Marketing Associations; providing for the general administra-

tion of the Department of Co-operative cotton marketing associations; providing for the appointment of examiners to examine said associations; imposing certain restrictions on the business of co-operative cotton marketing; creating a guaranty fund; providing for liquidation of co-operative cotton marketing associations; providing for the issuance of participating certificates to be issued by co-operative cotton marketing associations; providing penalties; repealing all laws in conflict and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

Morning call concluded.

### SIMPLE RESOLUTION.

(Pending Business.)

Action recurred on the pending business, a simple resolution by Senator Watson relating to requesting the Attorney General's Department for an opinion on the matter of the Lieutenant Governorship of the State of Texas.

### HOUSE CONCURRENT RESOLUTION NO. 1.

The Chair laid before the Senate, by unanimous consent, the following resolution:

H. C. R. No. 1, Endorsing amendment to national bank laws.

Whereas, The precipitation of the great European war at this time has so restricted normal international trade movements as to seriously threaten demoralization in the price of certain commodities which ordinarily seek a market at this season; and

Whereas, The State of Texas, which produces almost one-third of the cotton crop of the country, is in imminent danger of tremendous loss in the intrinsic value of its cotton crop of 1914, unless adequate financial provision is made for the surplus cotton coming on the market to be held for a reasonable time and judiciously marketed upon a basis approximating its real value; and

Whereas, There are more than 248 banking institutions in Texas operating under State charter and having a capital and surplus which conform to the requirements of the Aldrich-Vreeland emergency currency act, for national banks; therefore, be it

Resolved by the Legislature of the State of Texas, both houses concurring, That we commend to the earnest consideration of the Federal government and of the Congress such legal provisions as will make banking institutions operating under State charter and capable of complying with the terms and conditions of national bank laws eligible to membership in the National Currency Associations, now being perfected under the Aldrich-Vreeland act by extending the time within which they may join such associations sixty (60) days from August, 1914, to the end that the resources and credit of these institutions may contribute to the relief of the situation confronting the cotton-producing States.

Resolved, That we commend the plan advanced to make the receipts to be issued for cotton stored in the emergency warehouses proposed to be established under national supervision acceptable collateral to a reasonable and judicious amount to secure the issuance of emergency currency; and we urge upon the Congress the advisability of extending equal recognition to receipts for cotton when stored in warehouses under adequate State supervision.

Resolved, That in view of the fact that comparatively few banks in the Southern States carry among their securities bonds of the classes required as security for the issuance of emergency currency, practically resulting in the limitation of the issue of such emergency to the 30 per cent which the law now authorizes to be issued on commercial paper, we commend to the consideration of the Congress the urgent importance of amending the Aldrich-Vreeland act to permit such increased issue of emergency on the security of commercial paper as may be deemed consistent with sound financial policy, which amount we believe could conservatively be placed at a minimum of 75 per cent of the sum to which the eligible banks are entitled under the law.

Resolved, That a copy of these resolutions be forwarded to the President of the United States, Hon. Woodrow Wilson, to Hon. W. G. McAdoo, Secretary of the Treasury, and to the Texas delegation in Congress.

The resolution was read, and

Senator Brelsford offered the following amendment, which was read and adopted:

Amend by inserting the words "at least" after the words "may join such

associations," in line 27, page 1, of resolution.

Senator Wiley offered the following amendment:

Amend the resolution by striking out the words "under adequate State supervision" at the end of first whole paragraph on page 2 of the resolution.

(Senator McGregor in the chair.)

The amendment was read and lost by the following vote:

Yeas—9.

Brelsford.	Harley.
Carter.	McGregor.
Clark.	McNealus.
Darwin.	Wiley.
Greer.	

Nays—13.

Astin.	Lattimore.
Bailey of Harris.	Taylor.
Collins.	Townsend.
Cowell.	Warren.
Gibson.	Watson.
Hudspeth.	Westbrook.
Johnson.	

Present—Not Voting.

Conner.	Real.
Hall.	

Absent.

Bailey of DeWitt. Terrell.

Absent—Excused.

Morrow.	Willacy.
Nugent.	

Senator Wiley offered the following amendment, which was read and lost:

Amend the resolution by striking out the words "and secure the issuance of" and insert the words "to form the basis of loans for."

The resolution, as amended, was adopted by the following vote:

Yeas—24.

Astin.	Hudspeth.
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	McGregor.
Clark.	McNealus.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Hall.	Watson.
Harley.	Westbrook.

Nays—2.

Darwin.	Wiley.
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Absent.

Bailey of DeWitt.

Absent—Excused.

Morrow.	Willacy.
Nugent.	

(President Pro. Tem. Warren in the chair.)

### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Westbrook:

Resolved, That each member of the Senate be entitled to thirty-three copies of Senate Journal of August 26, containing Senate bill No. 1, for distribution as his judgment prompts, the ten remaining copies to be given to the President Pro Tempore of the Senate, in addition to his regular proportionate share.

Pending.

### SENATE BILLS NOS. 4 AND 5 IN FULL.

By order of the Senate, Senate bills Nos. 4 and 5 are printed in the Appendix of this Journal.

### ADJOURNMENT.

On motion of Senator Carter, the Senate, at 12:45 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

### APPENDIX.

#### COMMITTEE REPORT.

Committee Room,  
Austin, Texas, August 27, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Enrolled Bills have carefully examined and compared Senate bill No. 3, and find it correctly enrolled, and have this day, at 10:30 o'clock a. m., presented same to the Governor for his approval.

GIBSON, Chairman.

## PETITIONS AND MEMORIALS.

By Senator Carter:

Kilgore, Texas, August 24, 1914.

Mr. E. H. Carter, Senator, Austin, Texas:

We, the undersigned farmers, merchants and bankers of Kilgore, Texas, do urgently request that you support and put forth your best efforts in securing the passage of the cotton warehouse bill as outlined by Attorney General Looney. Numerous signed.

## SENATE BILL NO. 5.

S. B. No. 5. By Senator Wiley.

## A BILL

To be Entitled

An Act creating a Department of Co-operative Cotton Marketing to be located at Austin, Texas, providing for necessary office room, equipments, examiners and clerical assistants; providing for the appointment of a Commissioner to be known as the Commissioner of Co-operative Cotton Marketing; providing for the organization of co-operative cotton marketing associations; prescribing duties of the Commissioner of Co-operative Marketing; defining the business of a co-operative cotton marketing association; providing cotton marketing and of co-operative cotton marketing associations; providing for the appointment of examiners to examine said associations; imposing certain restrictions on the business of co-operative cotton marketing; creating a guaranty fund; providing for liquidation of co-operative cotton marketing associations; providing for the issuance of participating certificates to be issued by co-operative cotton marketing associations; providing penalties; repealing all laws in conflict, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

## Section 1.

Article 1. A Department of State to be known as "The Department of Co-operative Cotton Marketing," to be administered by a Commissioner of Co-operative Cotton Marketing, is hereby established and created.

Article 2. The Department of Co-operative Cotton Marketing shall be

provided with necessary offices in the Capitol building at Austin, Texas, and shall be furnished all necessary office furniture and fixtures for the proper use and conduct of the department.

Article 3. The Governor shall appoint, by and with the advice and consent of the Senate, a Commissioner of Co-operative Cotton Marketing, who shall be a citizen of the State of Texas and experienced in matters of cotton marketing and trade.

Article 4. The Commissioner of Co-operative Cotton Marketing shall hold his office for a term of two years and until the appointment and qualification of his successor.

Article 5. The Governor may fill any vacancy occurring in the office of Commissioner of Co-operative Cotton Marketing, and report the name of the person so appointed to the Senate if in session, or at the next succeeding session of the Legislature. Should the Senate fail to confirm the appointment made by the Governor within ten days after being advised thereof, then the said office shall be deemed vacant and a new appointment shall be made until the office is filled.

Article 6. Within ten days after notice of his appointment and before entering upon the duties of his office, he shall take the oath of office prescribed by the Constitution, and shall give a bond to the State of Texas in the sum of five thousand dollars with two or more good and sufficient sureties to be approved by the Governor, and conditioned for the faithful discharge of the duties of his office, which oath and bond shall be filed in the office of the Secretary of State. The bond provided for in this article may be executed by any bonding company doing business in this State as surety.

Article 7. Said Commissioner may appoint a chief clerk and such other clerks as the labor of his office may require, and all clerks shall be removable at the pleasure of the Commissioner.

Article 8. Said Commissioner may appoint such examiners and agents as may be necessary to make all examinations and perform such duties as may be necessary to carry out the provisions of this act.

Article 9. The chief clerk shall possess all the power and perform all the duties attached by law to the office of Commissioner during the necessary or unavoidable absence of the Commissioner, or his inability to act from any cause. The Commissioner shall be responsible



for the acts of his chief clerk, who shall, before entering upon the duties of his position, take the oath required of the Constitution; and may also be required by the Commissioner to enter into bond with security payable to said Commissioner for the faithful performance of the duties of his position.

Article 10. The said Commissioner shall be styled "The Commissioner of Co-operative Cotton Marketing," and shall have a seal of office, the design of which shall consist of a star with five points with letters composing the words "Department of Co-operative Cotton Marketing" on the margin; such seal thus formed and impressed shall be the seal of office of the Department of Co-operative Cotton Marketing.

Article 11. The Commissioner of Co-operative Cotton Marketing shall see that all laws respecting co-operative cotton marketing are faithfully executed.

He shall file and preserve in his office all acts or articles of incorporation of co-operative cotton marketing associations, and all other papers required by law to be deposited with him; and upon application of any person interested therein, to furnish certified copies upon payment of the fees prescribed by law.

He shall cause examinations of all co-operative cotton marketing associations organized and doing business under this act to be made at least twice each calendar year, and may cause other examinations to be made at such times as he may feel justified in so doing.

He shall require all co-operative cotton marketing associations to make and submit to his department regular statements showing the condition of their business, which statements shall be made on forms prepared and furnished by the Department of Co-operative Cotton Marketing, and each association shall be required to make and furnish not less than three nor more than five of such reports during each calendar year.

He shall demand and require that each association shall cause a brief statement or synopsis of its detailed report to be published in some newspaper in the city or town in which the said association conducts its business, and if there is no newspaper published at said place, the publication of the statement may then be made in some paper that is circulated in the community in which the said association conducts its business.

Article 12. The salary of the Commissioner of Co-operative Cotton Marketing shall be four thousand dollars

per annum, payable in monthly installments.

Examiners appointed by the Commissioner of Co-operative Cotton Marketing shall receive the same salary and fees as are provided for the payment of examiners examining State banks under the supervision of the Department of Insurance and Banking.

The Department of Co-operative Cotton Marketing shall demand and receive the same fees for furnishing certified copies and performing like services as are provided by statutes governing fees of the Department of Insurance and Banking.

Article 13. Neither the Commissioner of Co-operative Cotton Marketing nor any co-operative cotton marketing association examiner shall at any time during his incumbency be financially interested directly or indirectly in any co-operative cotton marketing association.

Article 14. Any officer or employee named in the foregoing article violating any of its provisions shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding one hundred dollars; and the venue in such case shall be in the county wherein such co-operative cotton marketing association is located.

The violation of the provisions of Article 13 shall work a forfeiture of the office or position held by the person guilty of such violation.

Article 15. Every examiner appointed by the Commissioner shall be an expert bookkeeper and accountant, and before entering upon the duties of his appointment take and file in the office of the Commissioner of Co-operative Cotton Marketing an oath to support the Constitution of the State, to faithfully demean himself in his office, and to make fair and impartial examinations, and that he will not reveal the condition of any association examined by him, or any information secured in the course of any examination of any association to any one except the Commissioner, and except when required so to do as a witness in any court of competent jurisdiction. Every such examiner shall enter into a bond, payable to the State, in the sum of five thousand dollars, to be approved by the Commissioner, and deposited in the office of the State Comptroller, and conditioned that he will faithfully perform his duties as such examiner; and in case any such examiner shall knowingly report any such association in an insolvent condition, or in case he shall

report any such association to be solvent knowing the same to be otherwise, and any person be injured thereby, such person shall have a right of action on such bond for his injury.

Article 16. Whenever the Commissioner shall have reason to believe that any association subject to the provisions of this act has permitted its capital stock to be reduced by impairment or otherwise below the amount required by law, or by its certificates or articles of association, he shall require such association to make good the deficiency. Whenever it shall appear to the Commissioner from any examination made by him or his examiners that any such association is conducting its business in an unsafe and unauthorized manner, he shall by an order under his hand and seal direct the discontinuance of such illegal and unsafe and unauthorized practice, and demand the strict conformity with the requirements of the law and with safety and security in its transactions; and if wrong entries or unlawful uses of the funds of the association have been made, he shall require that such entries shall be corrected and such sums unlawfully paid out shall be restored by the person or persons responsible for the wrongful or illegal payment thereof; and whenever any association shall refuse or neglect to make any such report as is hereinbefore required, or to comply with any such orders as aforesaid; or whenever it shall appear to the Commissioner that it is unsafe or inexpedient for any such association to continue to transact business, or has been guilty of misconduct, or malversation in the conduct of his business he shall communicate the fact to the Attorney General who shall thereupon institute such proceedings as the nature of the case may require. If from an examination made by the Commissioner, or by one of his examiners, it shall be discovered that any association organized under this act is insolvent, or that its continuance in business will seriously jeopardize the safety of its business or creditors, and if the action is taken from an examination by an examiner, such examiner shall recommend the closing of the association, then it shall be the duty of the Commissioner if he has approved such recommendation to close said association and take charge of all the property and effects thereof. Upon taking charge of any association the Commissioner shall as soon as practicable ascertain by thorough examination of its affairs, its act-

ual financial condition, and whenever he shall become satisfied that such association cannot resume business or liquidate its indebtedness to the satisfaction of all of its creditors, he shall report the facts of its insolvency to the Attorney General who shall immediately upon the receipt of such notice institute proceedings in a court of competent jurisdiction for the purpose of having a receiver appointed to take charge of such association, and to wind up the affairs and business thereof for the benefit of its creditors, stockholders, and those holding participating certificates.

The Commissioner may appoint a special agent to take charge of the affairs of the association temporarily, until a receiver is appointed, such agent to qualify, give bond and receive compensation the same as a regularly appointed association examiner; such compensation to be paid by the association or allowed by the court as cost in the case of the appointment of the receiver; provided that in no case shall any association continue in charge of such special agent for a longer period than sixty days. And any court of competent jurisdiction hearing such application for a receivership, either in term time or vacation, shall issue such orders as the law and the facts in the case warrant.

Article 17. Any co-operative cotton marketing association doing business in this State under this act may place its affairs and assets under the control of the Commissioner by posting a notice upon its front door as follows:

"This association is in the hands of the Commissioner of Co-operative Cotton Marketing of the State of Texas."

The posting of this notice, or of a notice by the Commissioner that he has taken possession of any association, shall be sufficient to place all of its assets and property of whatever nature in the possession of the Commissioner, and shall operate as a bar to any attachment proceedings whatever.

Article 18. If any association subject to the provisions of this title shall refuse to submit its books, papers and concerns to the inspection of the Commissioner, or of any of his examiners, or if any officer or director thereof shall refuse to submit to be examined on oath touching the concerns of such association, or if it shall be found to have violated its charter or any law of the State binding upon it, the Commissioner shall report the fact to the Attorney General who shall institute such

action or proceedings as the law and facts in the case may justify.

Article 19. The board of directors of any such association whenever required by the Commissioner, shall furnish a statement to be filed in his office under oath, by the president, secretary-treasurer, and attested by three of the directors of the actual condition of the affairs of such association at the close of business on the day designated, and which day shall be prior to such call, such statement to be upon the form prescribed by the Commissioner.

Article 20. Any association doing business under this act may at any time increase its capital stock in accordance with the provisions of this chapter with the consent of the persons holding the majority of the stock of such association, which shall be obtained at a meeting of the shareholders, called for that purpose, which said notice shall be given by publication in some newspaper, or by mailing notices addressed to the stockholders at their place of residence, which notice shall be issued thirty days prior to any such meeting held for the purpose of increasing capital stock, and any such increase shall be immediately reported to the Commissioner of Co-operative Cotton Marketing.

In all matters of election to increase the capital stock, each stockholder shall be permitted to vote one vote for each share of stock owned, and at all meetings of the association held for any other purpose than an increase of capital stock, each stockholder shall be permitted to vote one vote for each share of capital stock held, and each person holding profit-sharing certificates shall be entitled to one vote for each certificate held and a majority vote of those present and acting shall be decisive in all elections.

#### Section 2.

Article 1. Any three or more persons who are resident citizens of the State of Texas may associate themselves together and make application to the Commissioner of Co-operative Cotton Marketing for a charter permitting them to become a body corporate for the purpose of engaging in the business of selling, shipping, marketing, transferring and assigning cotton, and of borrowing and loaning money and doing a discount business without banking privileges with its members only, and to be known as a co-operative cotton marketing association.

Article 2. The articles of association adopted by persons making appli-

cation for charter under Article 1, Section 2, of this act shall set out:

1. The corporate name of the proposed association which shall not be the name of any other association heretofore incorporated in this State for similar purposes or any imitation of such name, and such which shall include as part thereof the name of the city or town wherein the association is located.

2. The name of the city or town and county in which the association is to be located.

3. The amount of capital stock of the association, which shall not be less than one hundred dollars, and shall be divided into shares of ten dollars each, that the same has been duly subscribed and actually paid up in lawful money of the United States, or in cotton valued at its actual market value, and is in the custody of the persons named as the first board of directors.

4. The names and places of residence of the several shareholders, and the number of shares subscribed by each.

5. The number of directors and the names of those agreed upon for the first year.

6. The number of years the corporation is to continue, which in no case shall exceed fifty years.

Article 3. Such articles shall be signed by and acknowledged by the parties thereto and filed in the office of the Commissioner of Co-operative Cotton Marketing, and a certified copy thereof shall be returned by the Commissioner of Co-operative Cotton Marketing for the incorporators, which said certified copy shall be recorded in the office of the county clerk of the county in which the association is located.

Article 4. The affairs of the business of every association chartered hereunder shall be managed by the board of directors consisting of not less than three nor more than twenty-five shareholders, who shall be elected annually, who shall be bona fide resident citizens of the State of Texas. Every person who shall be elected a director of the association shall within thirty days after his said election qualify as such director by filing with the officers of such association a written acceptance of the position, a copy of which said acceptance shall be spread upon the minutes of the board of directors. Failure to comply with this provision within the time specified shall work a forfeiture of the position, and when any vacancy occurs by any such failure the board of directors shall at the next

regular meeting thereafter enter the fact of such vacancy upon their records and immediately proceed to elect some competent person to fill the vacancy for the unexpired term.

In the event of a vacancy happening from any cause in the board previous to the annual election the remaining members thereof may fill such vacancy.

Article 5. The capital stock which shall be full paid up shall not be less than one hundred dollars.

Article 6. Every such association shall be authorized and empowered to conduct the business of holding cotton for members only, selling cotton for members only, loaning money to members, holding cotton as collateral security under the system of public bonded cotton warehouse receipts, and of borrowing money and doing a discount business; rate of interest charged members shall not exceed 6 per cent per annum, except in cases where the association is forced to borrow money to loan to its members, and in that event the money shall be loaned to its members at actual cost to the association, the rate of which shall not exceed 10 per cent per annum; that no association organized under this act shall loan more than 75 per cent of the actual value of the cotton for which the warehouse receipts have been delivered to the association, and in all cases where cotton is held and the market declines to such an extent that the money loaned to any member on any particular cotton is equal to 90 per cent of the actual value of the cotton at the time the association shall require and demand that such member margin his cotton in any reasonable amount, and that he shall so continue to margin in such amounts as may be necessary to hold the percentage on loans at not less than 90 per cent of the true value of the cotton.

Article 7. The total liability of each stockholder under this act shall be in an amount equal to twice the value of the stock held by such stockholder.

Article 8. The officers of the co-operative cotton marketing association shall be a president, vice-president, and secretary-treasurer, who shall be members of the board of directors, and elected by the board of directors.

Article 9. The Commissioner of Co-operative Cotton Marketing in issuing charters to co-operative cotton marketing associations shall use a serial number, and shall keep a register of each and every association chartered.

Article 10. The board of directors of

each and every association under this act shall meet at least once per month, and pass upon the business of the association, shall keep minutes of the proceedings, and shall direct the affairs of the association, and no bills payable shall be made, and no bills shall be rediscounted by the association except with the consent of the board of directors duly registered in their minutes.

Article 11. The board of directors of a co-operative cotton marketing association shall be alert in all matters pertaining to the administration of the association, and shall make quarterly examinations of the association, entering and recording a full report of the result of their examinations in the minutes of the association.

Article 12. Dividends paid on capital stock shall be limited to 10 per cent per annum, and no association shall at any time declare and pay a dividend to its stockholders in excess of 10 per cent per annum.

Article 13. Each association shall accumulate a permanent surplus to be built up by the payment of a fee or charge of one dollar per bale as a permanent surplus fund, which shall be paid by the owner of the cotton for each and every bale he has handled by and through the association. The co-operating cotton marketing association shall issue to the owner of cotton, making such payments of one dollar per bale, a certificate, to be known as a participating certificate, as is hereinafter provided.

Article 14. Every co-operative cotton marketing association doing business under this act shall permit any owner of cotton who may desire to become a member of the association to make and file his application for membership upon his agreement to pay one dollar per bale into the permanent surplus fund of the association and at such time as the applicant may make the payment of one dollar per bale the association shall issue to him a participating certificate representing the amount paid by the member.

Article 15. The association shall make a distribution of its undivided profits at the end of each calendar year among its members holding participating certificates. The distribution made hereunder shall be distributed to every member in proportion to the number of participating certificates held, counting one certificate for each dollar paid into the surplus fund by the member.

Article 16. The permanent surplus

fund, created and built up by the payment of one dollar per bale, shall constitute a fund to be loaned to the members of the association only upon personal notes well secured.

Article 17. The form of the participating certificate issued shall be regular and uniform and adopted by the Commissioner of Co-operative Cotton Marketing, and bear a serial number to show the amount for which it is issued, and bear a statement to the effect that the certificate authorizes the holder thereof to participate in the earnings of the association issuing the certificate.

Article 18. The board of directors shall make and levy a uniform charge or fee for the service rendered by the association, which shall be sufficient to cover cost of operating expenses.

Article 19. The officers and employees of the co-operative cotton marketing association shall receive such salaries as may be fixed by the board of directors.

Article 20. The board of directors and officers of the association shall give particular attention to warehouse conditions and see that all cotton pledged to the association is fully insured at all times.

Article 21. The board of directors provided for herein shall be elected or appointed as follows: the first board shall be appointed by the organizers of the association and shall serve for the first year, and thereafter the directors shall be elected by the stockholders, and each director shall be a stockholder in the association.

Article 22. No co-operative cotton marketing association shall ever buy or speculate in cotton or cotton futures.

### Section 3.

Article 1. Each and every co-operative cotton marketing association which may hereafter be incorporated and chartered under this act shall secure its creditors in the manner hereinafter prescribed.

Article 2. All co-operative cotton marketing associations chartered and acting under this act, and approved as solvent associations by the Commissioner shall co-operate in the establishment of a guaranty fund, which shall be paid to the Commissioner of Co-operative Cotton Marketing, and by him deposited in the State Treasury to the credit of a special fund to be known as the Co-operative Cotton Marketing Association Guaranty Fund.

Article 3. Any such association chartered under this act and approved as an association entitled to the benefits of the guaranty fund shall pay to said Commissioner two cents per bale for each bale handled by the association, which payment shall be made at the end of each thirty-day period, and the remittances for the guaranty fund shall be accompanied by a statement showing the number of bales handled during the thirty days for which the remittance is made. The term "handle" shall be construed to include only such cotton as has been sold or otherwise delivered by the association.

Article 4. All payments to the guaranty fund shall be carried on the books of the association as assets. When the amount available in said guaranty fund shall reach the sum of four million dollars, the Commissioner of Co-operative Cotton Marketing shall notify all associations subject to this act, and thereafter the associations participating shall not pay any further amount into said fund until said fund is depleted. In the event of depletion of said fund from any cause so that it falls below four million dollars, said Commissioner shall have authority to require the payment of the former rate of two cents per bale until such time as the guaranty fund may be restored to its full amount of four million dollars. The guaranty fund provided for herein shall be held by the State Treasurer as bailee for the Department of Co-operative Cotton Marketing, and shall be paid out of the State Treasury on warrants drawn by the order of the Commissioner of Co-operative Cotton Marketing, and said fund shall never be diverted from the purpose as specified in this act, nor shall it ever be considered as State funds.

Article 5. The Commissioner of Co-operative Cotton Marketing shall admit to the benefit and protection of this act only such associations as in his opinion are solvent and properly officered and conducted, and shall prescribe the form of application and statement which shall be made by each and every association, and which shall be sworn to by two officers of the association, blank copies of which application and statement shall be mailed to each association at the time the association is chartered, which shall be filled out, signed and sworn to and returned promptly to said Commissioner, and such copies shall be mailed to any association within this State upon request. Should the Commissioner decline the application of any associa-

tion, he shall state the grounds of such declination to such association, and whether the objection may be cured.

Article 6. Whenever any association shall become insolvent and shall voluntarily, or by law or in any manner as provided in this act, come into the hands of the Commissioner of Co-operative Cotton Marketing, he may proceed to wind up its affairs, either through a receiver, or through some competent person, who shall give bond as may be required by the Commissioner, payable to the Commissioner of Co-operative Cotton Marketing, for the faithful performance of all duties imposed upon him. Said bond may be recovered upon for the benefit of said guaranty fund or any party at interest. On taking possession of the property and business of any such association, the Commissioner shall forthwith give notice of such fact to any and all associations and individuals holding, or in possession of, any assets of any such association.

Article 7. Such association may, with the consent of the Commissioner, resume business upon such condition as may be approved by the Commissioner, which permission shall be evidenced by a written statement to that effect from the Commissioner.

Article 8. Upon taking possession of the property and business of such association, the Commissioner is authorized to collect money due such associations and to do such other acts as are necessary to conserve its assets and business, and shall proceed to liquidate the affairs thereof as provided in this chapter.

Article 9. The Commissioner may, if necessary to pay the debts of such association, enforce the individual liability of the stockholders.

Article 10. The Commissioner may, under his hand and official seal, appoint one or more special agents to assist him in the duty of liquidation and distribution, the certificate of appointment to be filed in the office of the Commissioner and a certified copy in the office of the clerk in the county court in which such association was located and transacted business. The Commissioner may from time to time authorize a special agent to perform such duties connected with such liquidation and distribution as the said Commissioner may deem proper.

Article 11. The Commissioner may employ such counsel and procure such expert assistance as may be necessary in the liquidation and distribution of the assets of such association and may retain such of the officers and employees

of such association as he may deem necessary.

Article 12. The Commissioner shall require from a special agent and from assistants such security for the faithful discharge of their duties as he may deem proper.

Article 13. The Commissioner shall cause notice to be given by advertisement in such newspapers as he may direct, for three consecutive months, calling on all persons who may have claims against such association to present the same to the Commissioner and make legal proof thereof at a place and within a time not earlier than the last day of publication, to be therein specified, which notice shall contain a statement that all such claims of guaranteed obligation must be presented, and legal proof thereof made at the place designated within sixty days after the date of the last publication, and all claims presented after the expiration of said sixty days shall not be entitled to payment of any portion thereof out of the guaranty fund. The Commissioner shall mail a similar notice to all persons whose names appear as creditors upon the books of the association.

Article 14. If the Commissioner doubts the justice and validity of any claim, he may reject the same and serve notice of such rejection upon the claimants, either by mail or by written notice personally served. Any action upon the claim so rejected must be brought within six months after such notice of service.

Article 15. Claims presented after the expiration of the time fixed in the notice to creditors shall be entitled to share in the distribution only to the extent of the assets in the hands of the Commissioner equitably applicable thereto.

Article 16. Upon taking possession of the property and assets of such association the Commissioner shall make, or cause to be made, an inventory of the assets of such association in duplicate, one to be filed in the office of the Commissioner, and one to be retained at the place of business of the association during such time as it may be in process of liquidation. The Commissioner shall make and keep a true and correct record of all claims filed, distribution of funds and such other records and copies as may be necessary to enable him to furnish a full detailed statement of the liquidation of the association by his department, such inventory, list of claims and records shall be open at

all reasonable times and subject to the inspection of any person at interest.

Article 17. All compensation of special agents, counsel, and other employees and assistants, and all other expenses incidental to the liquidation of any such association shall be paid by the Commissioner of Co-operative Cotton Marketing out of such funds as may be available for that purpose, provided that the compensation of such special agents shall always be the same as is provided by law for co-operative cotton marketing association examiners.

Article 18. The moneys collected by the Commissioner shall be from time to time deposited in some bank approved by the Commissioner.

Article 19. At any time after the expiration of the date fixed for the presentation of the claims the Commissioner may, out of funds remaining in his hands after the payment of the expenses declare one or more dividends, and after the expiration of one year after publication of notice to creditors, he may declare a final dividend, such dividends to be paid to such persons and in such manner as the Commissioner may direct.

Article 20. Any creditor, stockholder, or holder of a participating certificate, when aggrieved or dissatisfied with any of the acts of the Commissioner, shall have his remedy at law, and the jurisdiction of any such proceedings shall be in a court of competent jurisdiction in the county in which the association is located.

Article 21. Any association whose property and business the Commissioner has taken possession of, as aforesaid, that may deem itself aggrieved thereby, may at any time apply to the district court, if in session, or to the judge thereof if not in session, of the district in which the association is located and transacting business, to enjoin further proceedings, and said court, if in session, or the judge thereof if in vacation, after citing the Commissioner to show cause why further proceedings should not be enjoined, and hearing the application and proofs of the party, and determining the facts, may upon the merits dismiss such application or enjoin the Commissioner from further proceedings and direct him to surrender such business or property to such association.

Article 22. In the event of the voluntary liquidation of any association, operated under the provisions of the Association Guaranty Fund when it shall be made to appear to the Com-

missioner that all creditors have been paid in full, said Commissioner shall return to such association the pro rata part paid by it into such fund when unused.

Article 23. The participating certificates issued under provisions of this act shall be subject to sale and transfer upon the records of the association.

Article 24. It shall be the duty of the officers of a co-operative cotton marketing association to issue the assignee of any participating certificate a new certificate in his name for like amount and subject to same conditions as the original certificate.

Article 25. The officers of a co-operative cotton marketing association shall keep a true and correct record of all stock and certificates issued, and shall perform all such acts as may be incumbent upon them by reason of their position as officers of such association.

Article 26. If in the liquidation of the affairs of any association the assets of the association shall be insufficient to meet all obligations of the association, the Commissioner shall apply all or any part of the guaranty funds provided for herein to the payment of such shortage, and shall draw his warrant upon the State Treasurer payable out of said guaranty fund to the order of such claimant justly entitled to the payment.

Article 27. Any person violating any provision of this act, where other specific punishment has not been prescribed for the offense committed, shall be deemed guilty of a misdemeanor, and upon a conviction thereof shall be punished by fine in any sum not less than ten dollars nor more than five hundred dollars, and in addition thereto may be removed from any such position occupied by such person thus offending.

Article 28. Should any section or article of this act be declared unconstitutional or void from any cause, it shall not be held to invalidate any other portion of this act.

Article 29. All laws and parts of laws in conflict herewith are hereby repealed.

Article 30. The fact that the present session of the Legislature was convened in extraordinary session for the purpose of considering cotton marketing conditions as affecting the finance of the cotton growers of this State, and that the Legislature may be in session a very short time and the great importance of the legislation proposed herein, creates an imperative public necessity that the constitutional rule requiring bills

to be read in both houses on three several days be suspended, and that it take effect from and after its passage.

# SENATE BILL NO. 4.

S. B. No. 4. By.....

## A BILL

### To be Entitled

An Act to preserve the credit of the citizens of the State of Texas generally and to prevent the sacrifice of a large part of the products of its industry; to assist in maintaining the solvency of the banks chartered by the State and to preserve intact the depositors' guaranty fund; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency which may be issued by the national government and generally to preserve the credit and industrial and financial integrity of the State; authorizing and requiring the Commissioner of Insurance and Banking to establish a State warehouse system for the storing of cotton in bales, wheat in elevators, and other products of industry; prescribing the terms and conditions and rules and regulations under which such officer shall establish said warehouse system, conferring certain authority upon him with reference thereto and conferring authority upon incorporated cities and towns to contribute to the cost and expense of such system in their respective locations, and conferring authority upon private corporations to make contributions for such purpose; authorizing the Commissioner to appoint managers at each local warehouse, fixing the bond and defining the duties of such managers; prescribing the terms and conditions of warehouse receipts to be issued by the managers of warehouses established by the Commissioner of Insurance and Banking, and prescribing when and under what conditions such receipts may be issued and when duplicates may be issued; defining negotiable and non-negotiable receipts; prescribing when property placed in State ware-

houses shall be delivered upon the surrender of receipts and all terms and conditions, rules and regulations governing State warehouses established by the Commissioner of Insurance and Banking; defining the liability of the State as a public warehouseman and permitting suits to be brought against it as such; prescribing the venue thereof; prescribing that the Commissioner of Insurance and Banking shall fix the charges for storage; authorizing the Commissioner of Insurance and Banking to have all products stored in State warehouses insured; defining what character of buildings may be used for warehouse and storage purposes; providing for the appointment of warehouse examiners by the Commissioner of Insurance and Banking, prescribing their duties, conferring authority upon the Commissioner of Insurance and Banking to have State warehouses examined by State bank examiners; providing how the warehouseman's lien provided for in the measure may be satisfied; stating when the Commissioner of Insurance and Banking shall cease to receive cotton in storage under the act; creating special fund to be used only in the administration of this law; defining the standard of weights and measures and classification to govern the Commissioner in administering this act; creating certain penal offenses to secure the enforcement of the act and prescribing penalties therefor; making an appropriation to carry out the provisions of this act; defining the word "Commissioner" as used in this act; providing for tags on cotton bales, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. It is declared that this act is an emergency measure, made necessary by the conditions brought about by the wars on the continent of Europe.

The purpose of this act is to preserve the credit of the citizens generally of the State; prevent the sacrifice of a large part of the products of its industry now impending and due to the calamities and exigencies of war; to assist in maintaining the solvency of the banks chartered by the State of Texas, and preserve intact the depositors' guaranty fund; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and



taxable values maintained; to furnish a certain, safe, authoritative, and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued by the national government, or other relief issues of money or currency made by the national government or authorized to be made by it, and generally to preserve the credit and industrial and financial integrity of the State.

Sec. 2. This act shall be administered by the Commissioner of Insurance and Banking, and wherever the word "Commissioner" appears in this act it shall refer to the Commissioner of Insurance and Banking. To aid him in his work he is empowered to appoint a chief clerk of the Warehouse Division of his Department, who shall perform the duties usually incident to that character of position and such other duties as may be assigned him by the Commissioner. Such chief clerk shall be paid the sum of three thousand dollars (\$3000) per annum, payable monthly, and shall hold his position at the will of the Commissioner. The Commissioner of Insurance and Banking shall also have authority to employ such clerks, stenographers, experts, managers, examiners, and such other help as may be necessary in carrying out the provisions of this measure. All those employed by the Commissioner for any purpose shall receive such salary and compensation as may be fixed by him, except as herein otherwise provided, and, in addition thereto, shall, when traveling on official business, receive their actual necessary traveling expenses.

Sec. 3. It shall be the duty of the State banks chartered under the laws of this State to render the Commissioner such reasonable assistance as he may request in putting into effect, and in administering this act.

Sec. 4. As soon as this act goes into effect, the Commissioner acting as trustee for the State of Texas, shall establish in each city, town, or village in this State, whether incorporated or unincorporated, where the demand therefor is reasonably sufficient to justify the outlay, a State warehouse for the storage of cotton in the bale, and shall store the same and issue receipts therefor in the manner herein provided; and in establishing such warehouse, he shall do so by the renting or leasing or suitable buildings and premises, which have already been constructed, or which are

to be constructed, and which shall be suitable for the purposes aforesaid.

Before establishing any warehouse hereunder in any incorporated city, town or village the Commissioner may, in his discretion, require such city or town to agree to pay and to pay all or any part of the cost of establishing and operating such warehouse; and authority is hereby conferred upon all incorporated cities and towns and villages of this State to appropriate and use as much of their general funds as may be necessary for such purpose. The Commissioner may also, in his discretion, before establishing any warehouse hereunder at any place require the citizens of such place, represented by some responsible body or committee, to agree to pay and to pay all or any part of the cost of establishing and operating such warehouse, and authority is hereby conferred upon all private corporations chartered under the laws of the State of Texas, to contribute so much of their funds as may be necessary for such purpose, in aiding the citizens of any particular place to obtain in the manner suggested the establishment and maintenance of a warehouse under this act.

Sec. 5. Each warehouse shall be in charge of a manager to be appointed by the Commissioner, who shall be competent to keep the books required to be kept and to grade and classify cotton. The manager shall give bond payable to the State at Austin, in the sum of two thousand five hundred dollars (\$2,500) in towns or cities of a population of less than twenty-five hundred (2500); five thousand dollars (\$5000), in towns and cities of a population exceeding twenty-five hundred (2500) and less than ten thousand (10,000); seven thousand five hundred dollars (\$7500) in towns and cities of a population exceeding ten thousand (10,000) and less than twenty-five thousand (25,000); and in the sum of ten thousand dollars (\$10,000) in towns and cities of a population exceeding twenty-five thousand (25,000). The population shall be ascertained by multiplying the number of school children shown by the last preceding school census within the limits of such town, city, or village, by five. There shall be but one manager in each town, city, or village, regardless of the fact that the Commissioner may establish any number of warehouses in each such town, city, or village. The bond of the manager shall be conditioned for the faithful and competent discharge of his duties under this act, and shall

be in form drawn by the Attorney General. The manager of warehouses in each such town, city or village shall receive such salary as may be fixed by the Commissioner and shall employ such help as may be necessary in the discretion of the Commissioner.

Each manager shall have a certificate signed by the Commissioner showing his appointment as manager, which he shall keep displayed in his office at the warehouse.

Sec. 6. Warehouses established under this act shall be conducted under rules fixed by the Commissioner, in order to effectively carry out its provisions, and it shall be the duty of the Commissioner as soon as may be after organizing this division of his department, to promulgate rules and regulations, and forms by which the provisions of this law may be carried out.

Sec. 7. Each warehouse receipt issued hereunder shall bear the date of issuance and shall state upon its face the name and number of the warehouse and its location, the description, quantity, number and marks of the cotton there stored, and shall state the class and weight of the same, and the date on which it was originally received in the warehouse, and that it is deliverable upon the return of the receipt properly endorsed by the person to whose order it was issued and upon payment of all charges for storage and insurance, which charges shall be stated on the face of the receipt, to secure all of which the State shall have a warehouseman's lien.

All such receipts shall be numbered consecutively in the order in their issuance, and shall state whether the cotton therein described is or has been exposed to the weather or under shelter. A correct record of such receipt shall be kept in a well bound book, which shall be at all reasonable hours open to examination by any interested person.

No two receipts bearing the same number shall be issued from the same warehouse during the same year, nor shall any duplicate receipts be issued, except in the case of a lost or destroyed receipt, in which case a new receipt shall bear the same date and number as the original and shall be plainly marked on its face "duplicate." A receipt in which it is stated that the goods will be delivered to the recipient or to any other specified person is a non-negotiable receipt. A non-negotiable receipt shall have plainly placed upon its face by the manager issuing it "non-negotiable" or "not negotiable." A receipt in which

it is stated that the goods will be delivered to the bearer or to the order of any person named in such receipt is a negotiable receipt.

In addition to other provisions each receipt shall have a blank form on the back thereof to be filled in and signed by the owner of the cotton, showing whether such cotton is free from encumbrance or liens of any kind. If there is any encumbrance or liens of any kind on said cotton at the time of its storage the nature and amount of the same shall be clearly set out, and it is made the duty of the manager issuing the receipt to have said blank filled in and signed by the owner of the cotton before issuing a negotiable receipt for same; provided, if there is no incumbrance or lien that fact shall be shown in the statement; provided, however, such statement may not be made if a non-negotiable receipt is desired.

If the person holding a non-negotiable receipt shall desire to obtain a negotiable receipt in lieu thereof he shall return said non-negotiable receipt to the warehouse issuing the same and thereupon shall comply in every respect with the provisions of this act relating to negotiable receipts, upon compliance with which a negotiable receipt shall be issued to him in lieu of said non-negotiable receipt and said non-negotiable receipt shall thereupon be cancelled, and the word "cancelled" plainly marked or stamped in ink across the face thereof.

No warehouse receipt shall be issued except on the actual previous delivery of the goods in the warehouse or on the premises and under the control of the manager thereof.

A duplicate shall not be issued until the person applying therefor gives a bond equal to not less than the value of the goods, at the discretion of the Commissioner, for which the same is issued, which bond shall be given under such rules and regulations as the Commissioner may prescribe.

Sec. 8. Upon the presentation and return to the warehouse of any public warehouse receipt issued by its manager and properly endorsed, and the tender of all proper warehouse charges upon the property represented by it, such property shall be delivered immediately to the holder of such receipt, but the manager of such warehouse who shall issue a receipt for cotton shall not, under any circumstances or upon any order or guaranty, deliver the property upon which receipts have been issued until

such receipts have been delivered and cancelled, except in case of lost receipts; and upon any default in strict compliance with the terms of this article the manager shall be held liable not only to the State on his bond, but to the lawful holder of the receipt for the full value of the property therein described at the time such loss occurred; and shall further be liable to the special penalty herein provided.

Upon delivery of the goods by the manager of a warehouse to the holder of any receipt, such receipt shall be surrendered by said holder and plainly marked or stamped in ink across the face thereof with the word "cancelled," together with the name of the manager cancelling the same, and said receipt shall thereafter be void and shall not again be put into circulation, but shall be filed for further inspection.

Sec. 9. The liability of the State shall be that of a public warehouseman, and suits may be brought against the State for any liability as such, either in Austin, in Travis county, Texas, or in the county in which is located the warehouse where the cause of action accrued; provided, however, that the weights, classes, and grades of cotton stored in warehouses under this act are guaranteed by the State only in favor of those who may loan money on warehouse receipts issued hereunder as collateral, or those who hold evidences of debt originally secured by such warehouse receipts as collateral.

The State does not guarantee the weights or grades of cotton to anyone who purchases the cotton, whether by purchase of warehouse receipts or by purchasing the cotton on direct examination in the warehouses, except in cases of foreclosure of liens to secure money advanced upon warehouse receipts as collateral originally loaned upon such warehouse receipts.

Service in all suits may be had upon the Commissioner or upon the local manager of the warehouse at which the cause of action arose.

But in all instances before suit may be brought and maintained a statement of the claim, properly sworn to, giving the amount thereof, and the manner in which it arose, shall be delivered in person or by mail to the Commissioner within ninety days after the accrual of the cause of action, or such notice may be given by delivering a copy of the same to the local manager of the warehouse at which the cause of action arose. No personal liability shall attach to

the Commissioner for any action done by him or his managers under the terms of this act.

Sec. 10. A negotiable receipt issued against cotton stored in a warehouse under this act shall be negotiable and transferable by endorsement in blank or by special endorsement and delivery in the same manner and to the same extent that bills of exchange and promissory notes now are, without any other formality; and the transferee or holder of such warehouse receipt shall be considered and held as an actual and exclusive owner to all intents and purposes of the property therein described, subject only to the lien and privilege of the warehouse for storage, insurance, and other warehouse charges; provided, however, that all such warehouse receipts that shall have the words non-negotiable plainly marked or stamped on the face thereof shall be exempted from the provisions of this section.

The manager of each warehouse shall keep a carbon copy of each receipt, whether negotiable or non-negotiable, issued by him, and which shall have plainly printed in large letters across the face of the same "carbon copy." Such carbon copy shall be of no value for any purpose except as part of the records of the office of the manager issuing the same.

Sec. 11. All charges for storage shall be fixed by the Commissioner and need not be necessarily the same at all places, but shall be fixed by him, taking into consideration the amount of cotton, local conditions, and necessities, the object in view being to collect a sufficient amount at each local warehouse to pay the expense of its operation, but at the same time to provide for reasonable and just rates. The Commissioner shall in his rules and regulations prescribe when insurance, warehouse charges, and other charges shall be due and payable.

Sec. 12. All cotton placed in warehouses shall be insured by the Commissioner, either by individual policies or by blanket policies covering any and all cotton in any State warehouse, the method and manner of securing the insurance to be left to the judgment, discretion and experience of the Commissioner. In the event of any loss or damage, the Commissioner shall collect the insurance due and pay the same over ratably and equitably to those lawfully entitled to the same. All insurance policies shall be issued in the name of the Commissioner of Insurance and Banking.

All cotton placed in a warehouse must be insured and the premium shall be collected from the owner of the cotton by the Commissioner, and the State shall have the warehouseman's lien for the insurance on the cotton, the same as it has for storage charges.

Sec. 13. Cotton shall not be stored in wooden buildings unless such buildings are equipped with fire protection to be approved by the Commissioner, and none shall be stored in anything but waterproof buildings, so that the entire bale shall be protected from the weather.

The Commissioner shall equip all places of storage with such practical fire protection as the location and necessities of the warehouse will permit, and in all instances every practical safeguard shall be taken, and in the rules and regulations to be formed by the Commissioner governing his managers he shall set forth the general details of the system of fire protection, and shall enforce the same; to this end he shall have the right to call to his assistance all the experts, engineers, and employees of the State Fire Insurance Commission.

Sec. 14. All warehouse receipt books shall be designed by the Commissioner, and printed under his direction and be furnished each warehouse by him, each receipt being numbered and accounted for by the manager under such rules as the Commissioner may provide. Each receipt shall contain the lithographed or engraved signature of the Commissioner of Insurance and Banking and the lithographed or engraved seal of his Department, but the same shall be signed with pen and ink by the local manager.

Sec. 15. All local managers shall make daily reports, if required, to the Commissioner showing the amount, grade, character, classification, and weight of cotton received and delivered by him and from whom received and to whom delivered; said reports to be in such form as may be designed by the Commissioner. Such manager shall also make other reports as may be required by the Commissioner. All reports required by the Commissioner shall contain such other information as may be requested by the Commissioner.

Sec. 16. The Commissioner shall appoint a sufficient number of warehouse examiners to visit each local warehouse from time to time and carefully examine the records kept by the managers and the contents of said warehouses, and make such reports to the Commissioner relative thereto and relative to all other

matters as may be required and specified by the Commissioner concerning such warehouses. Such examiners shall visit each warehouse at least twice during each cotton season and at such other times as may be designated by the Commissioner.

Sec. 17. Every warehouse examiner appointed by the Commissioner shall be a competent cotton classifier, who shall have knowledge of bookkeeping and accounting, and before entering upon the duties of his office shall take and file in the office of the Commissioner the constituted oath, and in addition thereto shall take oath to make fair and impartial examinations and that he will not accept as presents or emoluments any pay, directly or indirectly, for the discharge of any act in the line of his duty other than the remuneration accorded and fixed by law; and that he will not reveal the condition of any warehouse examined by him or of any storage account examined by him or give any information secured in the course of examination to any one except to the Governor, the Commissioner and the Attorney General; and except when required to do so in the enforcement of the law upon the order of a district of county judge.

No such examiner shall be appointed who is at the time an officer or stockholder in any warehouse company or warehouse corporation or a member of any firm or an officer of any corporation engaged in the purchase or sale of cotton or cotton products.

Each such examiner shall enter into a bond payable to the State, in the sum of ten thousand dollars (\$10,000), to be approved by the Commissioner and deposited in his office, conditioned that he will faithfully perform his duties as such examiner.

As full compensation for the performance of the duties of examiner each person so appointed shall be entitled to receive a salary of two thousand dollars (\$2000) per annum, and all necessary traveling expenses. An itemized account of such expenses shall be rendered monthly under oath by each examiner and shall be approved by the Commissioner. Provided, however, the Commissioner may in his discretion cause State bank examiners to perform the duties of Warehouse Examiners in addition to their duties as State Bank Examiners, where such action will be economical, desirable, and practicable; in such instance, however, it will not be necessary for the State Bank Examiner to make

any additional bond or take any additional oath. The expense of any examination by a State Bank Examiner shall be borne by the funds appropriated for the enforcement of this law.

Sec. 18. The Commissioner shall have authority and it shall be his duty, if he finds it necessary, in addition to local warehouses to lease and maintain warehouses at points of concentration.

Sec. 19. The warehouseman's lien herein provided for when same has become due may be satisfied as follows:

The manager shall give a written notice to the person on whose account the goods are held, and to any other person known by the manager to claim an interest in the goods. Such notice shall be given by delivery in person or by registered letter addressed to the last known place of business or abode of the person to be notified. The notice shall contain:

(a) An itemized statement of the manager's claim, showing the sum due at the time of the notice and the date or dates when it became due.

(b) A brief description of the goods against which the lien exists.

(c) A demand that the amount of the claim as stated in the notice, and of such further claim as shall accrue shall be paid on or before a day mentioned, not less than ten days from the delivery of the notice if it is personally delivered, or from the time when the notice should reach its destination, according to the due course of post, if the notice is sent by mail, and

(d) A statement that unless the claim is paid within the time specified the goods will be advertised for sale and sold by auction at a specified time and place.

In accordance with the terms of a notice so given, a sale of the goods by auction may be had to satisfy any valid claim of the manager for which he has a lien on the goods. The sale shall be had in the place where the lien is acquired, or, if such place is manifestly unsuitable for the purpose, at the nearest suitable place. After the time for the payment of the claim specified in the notice to the depositor has elapsed, an advertisement of the sale, describing the goods to be sold, and stating the name of the owner or person on whose account the goods are held, and the time and place of the sale shall be published in the place where such sale is to be held. The sale shall not be held less than fifteen days from the time of the first publication. If there is no newspaper published in such

place, the advertisement shall be posted at least fifteen days before such sale in not less than six conspicuous places therein.

From the proceeds of such sale the manager shall satisfy the lien, including the reasonable charges of notice, advertisement and sale; and balance, if any, of such proceeds shall be held by the manager, and delivered on demand to the person to whom he would have been bound to deliver or justified in delivering the goods.

At any time before the goods are sold any person having a right of property or possession therein may pay the warehouse manager the amount necessary to satisfy his lien and to pay the reasonable expenses and liabilities incurred in serving notices and advertising and preparing for the sale up to the time of such payment. The manager shall deliver the goods to the person making such payment if he is a person entitled, under the provisions of this act, to the possession of the goods on payment of the charges thereon. Otherwise the manager shall retain possession of the goods according to the terms of the original contract of deposit.

Sec. 20. The Commissioner shall cease to receive cotton for storage under this act on the first day of March, A. D. 1916, this act being intended as an emergency measure but he may sooner cease at any one or more places when the demands of the public do not justify the further operation of any particular warehouse or warehouses.

Sec. 21. No action shall be brought against the Commissioner or his local managers for any lawful action taken under this act, but all such suits shall be brought against the State; and the same shall be defended by the Attorney General, but the Commissioner may, if necessary, employ counsel in any particular suit.

Sec. 22. All charges, funds and dues collected under this act shall constitute a special fund to be used only in the administration of this law and paying obligations hereunder until further action be taken by the Legislature; and all such funds are hereby appropriated for such purposes.

In addition to the foregoing there is also hereby appropriated out of any funds in the Treasury not otherwise appropriated for the two years ending August 31, 1915, the sum of one hundred thousand dollars (\$100,000) or so much thereof as may be necessary for administering the affairs of this division

of the Department of Insurance and Banking.

Sec. 23. In the event the Commissioner should have space in any particular warehouse in excess of its use for cotton he may store and issue receipt for other non-perishable farm products, but the general purpose of this law is the storage of cotton, and the storage of all other farm products shall be incidental and optionary with the Commissioner as to each particular warehouse.

Sec. 24. The standards of weights and measures of this State shall be the standards of weights and measures used under this act. It shall be the duty of the Commissioner to establish standards of classification for cotton and the originals of such standards shall be maintained subject to inspection in his office in the State Capitol. Duplicates of said classification of cotton, as well as standards of weights and measures shall be furnished to the managers of each warehouse as soon as may be done. The standards of classification of cotton shall be the same as those established by the Department of Agriculture of the United States; but it shall not be necessary for the manager of any particular warehouse to receive such standards from the Commissioner before he may begin operation; it is only intended by this provision that such standards shall be ultimately furnished when the Commissioner is able to furnish the same. All products stored in a State warehouse shall be weighed, tagged, graded, and classed by the manager thereof, and it shall not be necessary for the same to be weighed by a public weigher for any purpose. Provided, said tags shall be of pasteboard, such as are ordinarily used in cotton warehouses.

Sec. 25. The manager of any warehouse operating hereunder or any employe or servant at a warehouse who issues or aids in issuing a receipt, knowing that the goods for which said receipt is issued have not been actually received in the warehouse or are not under the control of the manager thereof, shall be guilty of a felony and upon conviction shall be punished for each offense by confinement in the State penitentiary for a period not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 26. Any manager of a warehouse or any employe or servant at a warehouse who fraudulently issues or aids in fraudulently issuing a receipt for goods, knowing that the same contains

any false statement, other than that defined by Section 25 hereof, shall be guilty of a felony and upon conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding two years or by fine not exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 27. Any manager of, or any employe or servant at a warehouse under this act who issues or aids in issuing a duplicate or additional negotiable receipt for goods, knowing that a former negotiable receipt for the same, or any part thereof, is outstanding and uncanceled, without plainly placing on the face thereof the word "duplicate," as provided in the case of a lost or destroyed receipt, shall be guilty of a felony and on conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 28. Any manager of a warehouse or servant or employe at a warehouse who delivers goods out of the warehouse, knowing that a negotiable receipt, the negotiation of which would transfer the right to the possession of the goods is outstanding and uncanceled, without first obtaining possession of such receipt at or by the time of its delivery, except in case of a lost or destroyed receipt, shall be guilty of a felony and upon conviction shall be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding one year or by a fine not exceeding one thousand dollars or by both such fine and imprisonment.

Sec. 29. Any person who deposits goods in a warehouse under this act, to which he has no title or upon which there is a lien or mortgage and who takes for such goods a negotiable receipt which he afterwards negotiates for value with intent to deceive, and without disclosing his want of title or the existence of a lien or mortgage, shall be guilty of a felony, and upon conviction thereof shall be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 30. Any person who wilfully and knowingly violates any of the provisions of this act for which a penalty is not otherwise provided, or who wilfully and knowingly does any act or thing pro-

hibited by this act for which a penalty is not otherwise provided, or who wilfully and knowingly does any act or thing prohibited by this act for which a penalty is not otherwise provided, or who wilfully or knowingly fails to do anything herein provided for, for which a penalty is not otherwise provided, the intent of which act or omission shall be to defraud, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding one thousand dollars or by confinement in the county jail for a term not exceeding one year or by both such fine and imprisonment.

Sec. 31. Only cotton or other products grown in the State of Texas shall be stored in warehouses operating under this act.

Sec. 32. It is further provided that the Commissioner may lease wheat and grain elevators, and store and issue receipts for wheat and grain in the same manner as herein provided for cotton, and to the same extent, should it become necessary in furtherance of the general public purpose of this act; and that in so doing all the provisions of this measure with reference to cotton shall apply, so far as practicable.

Sec. 33. If any particular section of this act shall be held unconstitutional, such holding shall not invalidate any other portion thereof.

Sec. 34. The importance of the legislation proposed in this act and the necessity of providing immediately sufficient warehouses to store the cotton products of this State, in view of the financial disturbances due to the European wars, creates an emergency and an imperative public necessity requiring that the constitutional rule providing bills shall be read on three several days in each house shall be suspended and the said rule is so suspended and this act shall take effect from and after its passage and it is so enacted.

#### FIFTH DAY.

Senate Chamber,  
Austin, Texas,

Friday, August 28, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.  
Bailey of Harris.  
Brelsford.  
Carter.  
Collins.  
Conner.  
Cowell.  
Darwin.  
Gibson.  
Greer.  
Hall.  
Harley.

Hudspeth.  
Johnson.  
Lattimore.  
McGregor.  
McNealus.  
Taylor.  
Terrell.  
Townsend.  
Warren.  
Watson.  
Westbrook.  
Willacy.

Absent.

Bailey of DeWitt. Real.  
Clark. Wiley.

Absent—Excused.

Morrow. Nugent.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Taylor.

#### EXCUSED.

On account of important business:

Senator Clark, indefinitely, on motion of Senator Harley.

Senator Real, for today, on motion of Senator Cowell.

Senator Wiley, for today, on motion of Senator Darwin.

Morning call concluded.

#### BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senator Astin:

S. B. No. 6, A bill to be entitled "An Act to establish a cotton warehouse system in the State of Texas under the direction and control of the State; to provide for the issuance of warehouse receipts, which shall state the weights and grade of cotton received and deposited in warehouses and describe the bale or bales in which it is contained; fixing the standard of the receipts issued against cotton deposited and held in State and licensed warehouses; determining the responsibility of the State to deliver to the holder the cotton described on the face thereof; to provide for the creation of the Cotton Warehouse Commission of Texas; to define the powers and duties of the Commission and to regulate the method by which its membership shall be constituted and the amount of the compensa-

tion of members; empowering the said Commission to build, buy, lease, rent and license and maintain and operate such warehouses; empowering the said Commission to devise and use a seal and to formulate an official form of receipt, and to empower its warehousemen and licensees to issue receipts and surrender cotton described in receipts; defining the meaning of 'warehouse' under this act; authorizing the said Commission to employ persons having the necessary qualifications to supervise, operate and maintain warehouses and perform other duties proper to the carrying out of this act under the direction of the Commission; empowering the said Commission to fix the rates of storage of cotton, to insure the cotton and to collect and disburse the insurance; providing for the issuance of duplicate receipts; to provide for the issuance, exchange, and cancellation of non-negotiable receipts; providing for monthly reports on all cotton stored, and requiring an accounting for loose cotton; prescribing penalties for violation of this act; appropriating money for the carrying out of this act, and declaring an emergency."

Read first time and referred to Committee on Commerce and Manufactures.

#### HOUSE MESSAGE.

Hall of the House of Representatives.  
Austin, Texas, August 28, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House concurs in amendments to House Concurrent Resolution No. 1.

Respectfully,

W. R. LONG,  
Chief Clerk, House of Representatives.

#### SIMPLE RESOLUTION.

(Pending Business.)

The Chair laid before the Senate the pending simple resolution by Senator Westbrook, relating to the distribution of the Journals of the 27th inst., and the same was read and adopted.

#### SIMPLE RESOLUTION.

(Pending Business.)

Action then recurred on the pending simple resolution by Senator Watson,

anent the Lieutenant Governorship, and the Chair laid the resolution before the Senate.

#### ADJOURNMENT.

On motion of Senator McNealus, the Senate, at 10:40 o'clock a. m., adjourned until 2 o'clock p. m. Monday, August 31.

#### APPENDIX.

#### COMMITTEE REPORTS.

(Majority Report.)

Committee Room,  
Austin, Texas, August 27, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufactures, to whom was referred

S. B. No. 1, A bill to be entitled "An Act construing the term public cotton warehouse, providing for the construction of public cotton warehouses, requiring ginners to construct buildings or platforms for the protection of ginned cotton, directing how cotton shall be wrapped, records to be kept by ginners; construing the term warehouseman, providing for bond of warehouseman, imposing certain duties upon the Commissioner of Insurance and Banking, providing for warehouseman records, and examination of public cotton warehouses, defining the terms, samples, loose, linter and bolly, making warehouse receipts negotiable, providing for fees of warehouseman, examination of warehouses and charges for such examination, limiting number of warehouses conducted under one charter; requiring railway companies to shed platforms and to transport cotton in closed cars, requiring all persons concentrating cotton to provide suitable platforms and sheds to protect the same from damage, providing penalties, repealing all laws in conflict, and declare an emergency,"

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass, with the following amendments:

By striking out Articles 2, 3 and 4 of Section 1. In Article 10, Section 2, add the word "grade" after "weight." And by striking out Sections 3 and 4.

COLLINS, Chairman.



## (Minority Report.)

Committee Room,  
Austin, Texas, August 27, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufactures, to whom was referred

S. B. No. 1, A bill to be entitled "An Act construing the term public cotton warehouse, providing for the construction of public cotton warehouses, requiring ginners to construct buildings or platforms for the protection of ginned cotton, directing how cotton shall be wrapped, records to be kept by ginners; construing the term warehouseman, providing for bond of warehouseman, imposing certain duties upon the Commissioner of Insurance and Banking, providing for the issuance of charter to warehouseman, providing for warehouseman records, and examination of public cotton warehouses, defining the terms samples, loose, linter and bolly, making warehouse receipts negotiable, providing for fees of warehouseman, examination of warehouses and charges for such examination, limiting number of warehouses conducted under one charter; requiring railway companies to shed platforms and to transport cotton in closed car, requiring compresses and all persons concentrating cotton to provide suitable platforms and shed to protect cotton from damage, and providing penalties, repealing all laws in conflict, and declare an emergency,"

Have had the same under consideration, and a minority of your committee report the same back to the Senate with the recommendation that it do not pass.

COLLINS,  
WESTBROOK,  
TAYLOR,  
JOHNSON.

Committee Room,  
Austin, Texas, August 27, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Judiciary Committee No. 1, to whom was referred

S. B. No. 5, A bill to be entitled "An Act creating a Department of Co-operative Cotton Marketing, to be located at Austin, Texas; providing for necessary office room, equipments, examiners and clerical assistants; providing for the appointment of a commissioner to be known as the Commissioner of Co-operative Cotton Marketing; pro-

viding for the organization of co-operative cotton marketing associations; prescribing duties of the Commissioner of Co-operative Cotton Marketing; defining the business of a co-operative cotton marketing associations; providing for the general administration of the Department of Co-operative Cotton Marketing and of co-operative cotton marketing associations; providing for the appointment of examiners to examine said associations; imposing certain restrictions on the business of co-operative cotton marketing; creating a guaranty fund; providing for the liquidation of co-operative cotton marketing associations; providing for the issuance of participating certificates to be issued by co-operative cotton marketing associations; providing penalties; repealing all laws in conflict, and declaring an emergency,"

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed, but printed in the Journal.

CARTER, Acting Chairman.

## SIXTH DAY.

Senate Chamber,  
Austin, Texas,

Monday, August 31, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	McNealus.
Clark.	Morrow.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.

Absent.

Astin.

Absent—Excused.

Nugent.

Prayer by the Chaplain.

Pending the reading of the Journal of Friday, the same was dispensed with on motion of Senator Johnson.

#### SENATE CONCURRENT RESOLUTION NO. 2.

Senator Hudspeth offered the following resolution:

Be it resolved by the Senate of Texas, the House of Representatives concurring, That the health of the membership, officers and employes demands a thorough renovation and cleaning of the Capitol building at the forthcoming session of the Thirty-fourth Legislature; and

Whereas, Said building has not been renovated and cleaned thoroughly for a number of years; and, in order to place said building in repair and proper sanitary condition, it is necessary that an appropriation be made for said purpose; therefore, be it

Resolved, That the Governor be requested to submit the matter of making a sufficient appropriation for the cleaning and renovation of said Capitol, in this Called Session of the Thirty-third Legislature, so that same may be done by the time the Thirty-fourth Legislature convenes in regular session.

HUDSPETH,  
McNEALUS,  
DARWIN,  
WATSON,  
CLARK.

The resolution was read and adopted.

#### MESSAGE FROM THE GOVERNOR.

A messenger from the Governor's office was here announced at the bar of the Senate and delivered to the Senate a message from the Governor.

(See Appendix for the message in full.)

#### SIMPLE RESOLUTION.

By Senator Hudspeth:

Whereas, The Hon. John Ratliff, formerly a much loved and highly esteemed member of this body, is now in the city; now, therefore, be it

Resolved, That he be invited to address the Senate, and the courtesies of the floor be extended to him.

DARWIN,  
HUDSPETH,  
WATSON.

The resolution was read and adopted, and ex-Senator Ratliff later appeared before the Senate and made a brief address.

#### BILLS AND RESOLUTIONS.

By Senator Lattimore:

S. B. No. 7. A bill to be entitled "An Act to authorize the appointment of State weighers and graders of cotton in public warehouses; to further regulate cotton warehouse receipts; to facilitate the lending of money thereon; to make cotton warehouse receipts safer collateral for the loan of money; to enable the farmers of Texas to obtain money on cotton warehouse receipts; prescribing the life of this bill, and declaring an emergency."

Read first time and referred to Committee on Commerce and Manufactures.

Senator Lattimore asked unanimous consent to have the bill printed in the Journal of this date. There was no objection and the bill will be found in the Appendix of this Journal.

By Senator Gibson, by request:

S. B. No. 8, A bill to be entitled "An Act to create a State bonded warehouse system and afford a method of co-operative marketing for those engaged in the production of farm and ranch products and for the purpose of effectuating this and creating a State Warehouse Commission to be composed of three members to be appointed by the Governor, with the advice of the Senate; defining the authority of the Commission and giving it powers of visitation over the corporations chartered under the act; as a part of the system authorizing the formation of State bonded warehouse corporations on the mutual plan, to be under the supervision and control of the State Warehouse Commission; defining the purpose, power and authority of such corporations and regulating the chartering, management and business of the same; defining and prescribing the receipts to be issued by State bonded warehouses and the rights of the respective parties thereunder, and providing the law, rules and regulations governing the same; stating the business which may be conducted by State bonded warehouses as incidents of their warehouse and marketing business; declaring gins to be subject to a public use and requiring that all ginners in the State shall obtain a license from

the State Warehouse Commission and give bond to observe certain rules and regulations relative to the ginning and baling of cotton and sampling the same; authorizing the State Warehouse Commission to employ the services of a chief clerk, defining his duties, and also the necessary clerical help, office force and examiners and creating the office of State warehouse examiners, defining their authority, duties and compensation; prescribing the salary of the State Warehouse Commissioners and the chief clerk; vesting the authority now vested by law in the Commissioner of Insurance and Banking with reference to public warehouses in the State Warehouse Commission, and transferring the archives in the office of the Commissioner of Insurance and Banking with reference to warehouse corporations to the State Warehouse Commission, but providing that this section does not apply to the law passed by the present session of the Legislature with reference to the establishment of State warehouses as an emergency measure by the Commissioner of Insurance and Banking; creating and defining offenses in violation of the act, and prescribing penalties therefor; making appropriation for carrying the act into effect, and declaring an emergency."

Read first time and referred to Committee on Commerce and Manufactures.

By Senator Darwin:

S. B. No. 9, A bill to be entitled "An Act to amend Chapter 37 of the General Laws, enacted by the Thirty-third Legislature, First Called Session, July 21 to August 19, A. D. 1913, providing for the conduct of the business of a public warehouseman, describing what constitutes such warehouse and defining what shall be held to be public warehousemen; providing that all persons, firms, and corporations, or associations of persons shall obtain a permit of authority from the Commissioner of Insurance and Banking, and defining the requisites of said permit; providing a bond for the public warehousemen; and providing that such public warehousemen shall issue negotiable and non-negotiable receipts for property stored in such warehouses, and vesting the supervision of such public warehouses in the Commissioner of Insurance and Banking, and defining his duty with reference to such warehouses, and directing said Commissioner to prescribe uniform public warehouse receipts for cotton; and requiring that any encum-

brance on cotton stored in public warehouses shall be disclosed in the endorsement on the back of such negotiable receipt or certificate, and providing a penalty for failure to truthfully disclose such facts; preventing public warehousemen, by provisions inserted in their receipts, from limiting their liability under the law; providing for the negotiability of receipts issued; providing a penalty for public warehousemen who violate the provisions of this act; providing the conditions under which private warehousemen may conduct such business; and declaring an emergency."

Read first time and referred to Committee on Commerce and Manufactures.

#### SENATE BILL NO. 1.

(By Unanimous Consent.)

The Chair laid before the Senate, on second reading,

S. B. No. 1, A bill to be entitled "An Act construing the term public cotton warehouse, providing for the construction of public cotton warehouses, requiring ginners to construct buildings or platforms for the protection of ginned cotton, directing how cotton shall be wrapped, records to be kept by ginners; construing the term warehouseman, providing for bond of warehouseman, imposing certain duties upon the Commissioner of Insurance and Banking, providing for warehouseman records, and examination of public cotton warehouses, defining the terms, samples, loose, linter and bolly, making warehouse receipts negotiable, providing for fees of warehousemen, examinations of warehouses and charges for such examinations, limiting number of warehouses conducted under one charter; requiring railway companies to shed platforms and to transport cotton in closed cars, requiring all persons concentrating cotton to provide suitable platforms and sheds to protect the same from damage, providing penalties, repealing all laws in conflict, and declare an emergency."

(Senator Brelsford in the chair.)

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, August 31, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to

inform the Senate that the House has passed the following resolutions:

H. C. R. No. 4, Relating to the collection by consular agents of information concerning the manufacture of cotton goods.

H. C. R. No. 5, Requesting the Governor to submit additional subject of making certain appropriations for legislation at Second Called Session of the Thirty-third Legislature.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

### RESOLUTIONS READ AND REFERRED.

The Chair (Senator Brelsford) had referred, after their captions had been read, the following House Concurrent Resolutions:

H. C. R. No. 4, referred to Finance Committee.

H. C. R. No. 5, referred to Finance Committee.

### SENATE BILL NO. 1.

Action recurred on S. B. No. 1, and by unanimous consent the amendment to the majority committee report was corrected to read as follows:

By striking out Article 2 of Section 1, and in Article 10, Section 2, add the word "grade" after "weight." And by striking out Section 3.

There being a favorable majority committee report with an amendment, and an adverse report.

Senator Wiley moved that the majority committee report, as amended, be adopted.

Pending discussion, Senator Johnson moved, as a substitute, that the bill be recommitted to the Committee on Commerce and Manufactures.

Pending discussion, Senator Wiley moved to table the motion to recommit, which motion was adopted by the following vote:

Yeas—18.

Bailey of DeWitt.	Hall.
Bailey of Harris.	Harley.
Brelsford.	Hudspeth.
Carter.	Real.
Clark.	Terrell.
Conner.	Townsend.
Cowell.	Watson.
Darwin.	Wiley.
Greer.	Willacy.

Nays—8.

Collins.	McGregor.
Gibson.	McNealus.
Johnson.	Warren.
Lattimore.	Westbrook.

Absent.

Astin.	Taylor.
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Morrow.

Absent—Excused.

Nugent.

(President Pro Tem. Warren in the chair.)

Senator Johnson, at 4 o'clock p. m., moved that the Senate adjourn until 10 o'clock tomorrow morning.

Senator McNealus moved, as a substitute, that the Senate adjourn until 2 o'clock tomorrow afternoon.

Action recurred on the longest time first, and the motion to adjourn until 2 o'clock tomorrow afternoon was lost.

Action then recurred on the motion to adjourn until 10 o'clock tomorrow morning, which was lost by the following vote:

Yeas—9.

Brelsford.	Johnson.
Clark.	Lattimore.
Collins.	McNealus.
Cowell.	Morrow.
Darwin.	

Nays—19.

Bailey of DeWitt.	Real.
Bailey of Harris.	Taylor.
Carter.	Terrell.
Conner.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
McGregor.	

Absent.

Astin.

Absent—Excused.

Nugent.

Action then recurred on the motion to adopt the majority committee report on S. B. No. 1, and Senator Johnson moved the previous question on the motion, which, being duly seconded, was so ordered.

Action then recurred on the motion to adopt the majority committee report, as amended, and the same was adopted by the following vote:

Yeas—25.

Bailey of DeWitt. Bailey of Harris.

Brelsford.	Lattimore.
Carter.	McGregor.
Clark.	Real.
Collins.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
Johnson.	

Nays—1.

Conner.

Present—Not Voting.

McNealus.                      Morrow.

Absent.

Astin.

Absent—Excused.

Nugent.

#### ADJOURNMENT.

Senator Darwin, at 4:15 o'clock p. m., moved that the Senate adjourn until 10 o'clock tomorrow morning.

Senator McNealus moved, as a substitute, that the Senate adjourn until 2 o'clock tomorrow.

The substitute motion was lost, and the motion to adjourn until 10 o'clock was adopted.

#### APPENDIX.

##### COMMITTEE REPORTS.

(Majority Report.)

Committee Room,

Austin, Texas, August 29, 1914.

Hon. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufacturers, to whom was referred

S. B. No. 4, A bill to be entitled "An Act to preserve the credit of the citizens of the State of Texas generally and to prevent the sacrifice of a large part of the products of its industry; to assist in maintaining the solvency of the banks chartered by the State and to preserve intact the depositors' guaranty fund; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security,

to enable the people of the State generally to obtain their ratable and proper distribution of currency which may be issued by the National Government and generally to preserve the credit and industrial and financial integrity of the State; authorizing and requiring the Commissioner of Insurance and Banking to establish a State warehouse system for storing of cotton in bales, wheat in elevators, and other products of industry; prescribing the terms and conditions and rules and regulations under which such officer shall establish said warehouse system, conferring certain authority upon him with reference thereto and conferring authority upon incorporated cities and towns to contribute to the cost and expense of such system in their respective locations and conferring authority upon private corporations to make contributions for such purposes; authorizing the Commissioner to appoint managers at each local warehouse, fixing the bond and defining the duties of such managers; prescribing the terms and conditions of warehouse receipts to be issued by the managers of warehouses established by the Commissioner of Insurance and Banking, and prescribing when and under what conditions such receipts may be issued, and when duplicates may be issued; defining negotiable and non-negotiable receipts; prescribing when property placed in State warehouses shall be delivered upon the surrender of receipts and all terms and conditions, rules and regulations governing State warehouses established by the Commissioner of Insurance and Banking shall fix the charges for storage; authorizing the Commissioner of Insurance and Banking to have all products stored in State warehouses insured; defining what character of buildings may be used for warehouses and storage purposes; providing for the appointment of warehouse examiners by the Commissioner of Insurance and Banking, prescribing their duties, conferring authority upon the Commissioner of Insurance and Banking to have State warehouses examined by State Bank Examiners; providing how the warehouseman's lien provided in the measure may be certified, stating when the Commissioner of Insurance and Banking shall cease to receive cotton in storage under the act; creating special fund to be used only in the administration of this law; defining the standard of weights and measures and classification to govern Commissioner in administering this act, creating certain penal offenses to secure enforcement of

the act and prescribing penalties therefor; making an appropriation to carry out the provisions of this act; defining the word Commissioner as used in this act; providing for tags on bales of cotton, and declaring an emergency."

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass with the following amendments:

By striking out from the caption line the following words: "Authorizing the Commissioner to appoint managers at each local warehouse."

By striking out all Section 5 in the original bill and substitute therefor the following:

"Each warehouse shall be in charge of a manager to be appointed by a majority of the Commissioners Court of the county in which the warehouse is located either in term time or in vacation, which appointment shall be approved by the Commissioner of Insurance and Banking, and in event the Commissioner refuses to approve said appointment for any cause, then the said Commissioner shall appoint another manager.

"The manager shall give bond payable to the State of Texas in such a sum as may be fixed by the Commissioners' Court of that county and which bond shall be as nearly as possible in amount in dollars equal to the number of bales of cotton marketed in the territory embraced in said warehouse district for the preceding year, provided that in no event shall a bond be less than \$2500 nor greater than the sum of \$25,000.

"There shall be but one manager in each town, city or village, regardless of the fact that the Commissioner may establish any number of warehouses in any town, city or village. The bond of the manager shall be conditioned for the faithful and competent discharge of his duties under this act and shall be in form drawn by the Attorney General, and said bond may be sued on either in Travis county or in the said county in which warehouse is located. The managers of the warehouses in each city or town shall receive such salary as may be fixed by the Commissioner of Banking and Insurance, and shall employ such help as may be necessary in the discretion of said Commissioner. Each manager shall have a certificate signed by the Commissioner showing his appointment as manager, which he shall

keep displayed in a conspicuous place in his office at the warehouse."

Amend by limiting the operation of the bill to September 1, 1915.

COLLINS, Chairman.

(Minority Report.)

Committee Room,  
Austin, Texas, August 29, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: We, a minority of your Committee on Commerce and Manufactures, to whom was referred

S. B. No. 4, A bill to be entitled "An Act to preserve the credit of the citizens of the State of Texas generally and to prevent the sacrifice of a large part of the products of its industry; to assist in maintaining the solvency of the banks chartered by the State and to preserve intact the depositors' guaranty fund; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency which may be issued by the national government and generally to preserve the credit and industrial and financial integrity of the State; authorizing and requiring the Commissioner of Insurance and Banking to establish a State warehouse system for storing of cotton in bales, wheat in elevators, and other products of industry; prescribing the terms and conditions and rules and regulations under which such officer shall establish said warehouse system, conferring certain authority upon him with reference thereto and conferring authority upon incorporated cities and towns to contribute to the cost and expense of such system in their respective locations, and conferring authority upon private corporations to make contributions for such purposes; authorizing the Commissioner to appoint managers at each local warehouse, fixing the bond and defining the duties of such managers; prescribing the terms and conditions of warehouse receipts to be issued by the managers of warehouses established by the Commissioner of Insurance and Banking, and prescribing when and under what conditions such receipts may be issued and when duplicates may be issued; defining

negotiable and non-negotiable receipts; prescribing when property placed in State warehouses shall be delivered upon the surrender of receipts and all terms and conditions, rules and regulations governing State warehouses established by the Commissioner of Insurance and Banking shall fix the charges for storage; authorizing the Commissioner of Insurance and Banking to have all products stored in State warehouses insured; defining what character of buildings may be used for warehouses and storage purposes; providing for the appointment of warehouse examiners by the Commissioner of Insurance and Banking, prescribing their duties; conferring authority upon the Commissioner of Insurance and Banking to have State warehouses examined by State Bank Examiners; providing how the warehouseman's lien provided in the measure may be satisfied; stating when the Commissioner of Insurance and Banking shall cease to receive cotton in storage under the act; creating special fund to be used only in the administration of this law; defining the standard of weights and measures and classification to govern Commissioner in administering this act; creating certain penal offenses to secure enforcement of the act, and prescribing penalties therefor; making an appropriation to carry out the provisions of this act; defining the word Commissioner as used in this act; providing for tags on bales of cotton, and declaring an emergency."

Have had the same under consideration, and beg leave to report the same back to the Senate with the recommendation that it do not pass.

LATTIMORE,  
WILEY.

#### SENATE BILL NO. 9.

The following bill is printed here by order of the President of the Senate:

S. B. No. 9. By Senator Darwin.

#### A BILL

#### To Be Entitled

An Act to amend Chapter 37 of the General Laws of Texas, enacted by the Thirty-third Legislature, First Called Session, July 21 to August 19, A. D. 1913, providing for the conduct of the business of public warehousemen, describing what constitutes such warehouse, and defining who shall be held to be public warehousemen; providing

that all persons, firms, or corporations or associations of persons shall obtain a permit of authority from the Commissioner of Insurance and Banking, and defining the requisites of said permits, providing a bond for the public warehouseman, providing that such public warehousemen shall issue negotiable and non-negotiable receipts for property stored in such warehouses, and vesting the supervision of such public warehouses in the Commissioner of Insurance and Banking, and defining his duties with reference to such warehouses, and directing said Commissioner to prescribe uniform warehouse receipts for cotton, and requiring that any incumbrance on cotton stored in public warehouses shall be disclosed in the endorsement on the back of such negotiable receipt or certificate, and providing a penalty for the failure to truthfully disclose such facts; providing public warehousemen, by provisions inserted in their receipts from limiting their liability under the law; providing for the negotiability of the receipts issued; providing a penalty for public warehousemen who violate the provisions of this act, providing the condition under which private warehousemen may conduct such business, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That Chapter 37, of the General Laws of Texas, enacted by the Thirty-third Legislature, First Called Session, July 21 to August 19, A. D. 1913, be and the same are hereby so amended as to hereafter read as follows:

Sec. 2. All persons, firms, companies or corporations who shall receive cotton, tobacco, wheat, rye, oats, rice, oil, or any kind of produce, wares, merchandise, of any description or personal property in store for hire, under the provisions of this act, shall be deemed and taken to be public warehousemen; and all warehouses which shall be owned or controlled, conducted and managed in accordance with the provisions of this act, shall be deemed and taken to be public warehouses, provided that a public warehouse for the storage of cotton may, within the meaning of this act include a lot or parcel of land inclosed with a lawful fence, the gates or entrances to which shall be kept securely locked at night, and the same shall be so constructed as to protect all cotton stored

therein from damage by reason of weather conditions, and in such manner as to reduce the fire hazards.

Sec. 3. The owner, proprietor, lessee, or manager of any public warehouse, whether an individual, firm, or corporation, before transacting any business as a public warehouseman, shall procure from the Commissioner of Insurance and Banking a permit to conduct a public bonded warehouse under the laws of the State of Texas, which permit shall be issued by said Commissioner of Insurance and Banking, upon a written application, setting forth the location, its capacity, name, and of what material constructed, and the name of a city or place where the public cotton warehouse is to be located, shall be a part of the name of each warehouse, and no two shall be given the same name, and the name of each person, individual, or a member of the firm interested as owner or principal in the management of the same shall be stated; or if the warehouse is owned by a corporation, the names of the president, secretary, and treasurer of such corporation shall be stated, which application shall be filed by the Commissioner of Insurance and Banking, in his office, and the permit issued by the Commissioner of Insurance and Banking shall give authority to carry on and conduct the business of a public bonded warehouse within the meaning of this act, and such permit shall be revocable by the Commissioner of Insurance and Banking for the violation of the law or such rules as may be made by the Commissioner of Insurance and Banking, which violation shall be set forth in the order of cancellation; provided the warehousemen may have recourse in the court of proper jurisdiction to recover their permit to conduct the business of public warehousemen.

Sec. 4. Each and every applicant for a permit to conduct a public warehouse business shall execute a bond in an amount in dollars equal to five times the actual capacity of the proposed public cotton warehouse in dollars, payable to the Commissioner of Insurance and Banking at Austin, Texas, for the use and benefit of any and all persons depositing and storing cotton in the public cotton warehouse, designated and described in the bond, conditioned that he will faithfully perform his duty as a warehouseman, and it shall be a further condition of said bond that the applicant will comply with the rules and regulations of said Commissioner of

Insurance and Banking, governing the keeping of necessary records, issuing the receipts and making reports.

Sec. 5. The bond provided for in Section 4, or in this act, may be executed by the principal and at least three approved sureties, or may be executed by the principal and any approved bonding company doing business in this State as surety. And, any payment or impairment of said bond by any means shall be immediately reported to the Commissioner of Insurance and Banking by the principal and sureties of said bond, and the Commissioner of Insurance and Banking shall require the execution of a new bond to be substituted in lieu of any bond that has been found impaired.

Sec. 6. On application of the owner or depositor of the property stored in a public warehouse, the warehousemen shall issue, over his own signature, or that of his duly authorized agent, a public warehouse receipt therefor, to the order of the person entitled thereto; which receipt shall purpose to be issued by a public warehouse, shall bear date of the day of its issuance, and shall state upon its face the name of the warehouse and its location, the description, quantity, number and marks of the property stored, where such receipt is for the cotton it shall state the class and weight, and the date on which it was originally received in warehouse, and that it is deliverable upon the return of the receipt, properly endorsed by the person to whose order it was issued, and payment of all charges for storage, and insurance, which charge shall be stated on the face of the receipt. All these receipts shall be numbered consecutively in order of their issuance, and when such receipt is for cotton, the receipt shall state whether the cotton therein described is exposed to the weather or is under the shelter; and a correct record of such receipt shall be kept in a well bound book, which shall be, at all reasonable hours, open to examination by all interested persons and no two receipts bearing the same number shall be issued from the same warehouse during the same year, nor shall any duplicate receipts be issued, except in the case of a lost or destroyed receipt, in which case the new receipt shall bear the same date and number as the original, and shall be plainly marked on its face "Duplicate" and provided that no such duplicate receipt shall be issued by the public warehousemen until the adequate security acceptable to the



warehousemen be deposited with or to the order of said warehousemen, to protect the party or parties who may finally hold the original receipt in good faith and for a valuable consideration.

Sec. 7. The supervision of public warehouses shall be under the control of the Commissioner of Insurance and Banking whose duty it shall be to prescribe all forms of receipts, certificates, and records of whatsoever description necessary in the conduct of the business of public warehouses; and in providing forms for handling those products which are of general commercial character, the said commissioner shall prescribe forms answering to all usual requirements of negotiable receipts of certificates. The Commissioner of Insurance and Banking is hereby empowered and directed to make not less than one examination each year of all such public warehouses, the necessary expense of such examination or examinations to be paid by the warehouse.

Sec. 8. The Commissioner of Insurance and Banking shall provide a uniform public warehouse receipt for cotton which shall be used by all public warehouses coming under the provision of this act, which said receipt shall conform in all respects to the provisions herein set out. In addition to the other provisions such receipt shall have a blank form on the back thereof, to be filled in and signed by the owner of the cotton showing whether or not such cotton is free from encumbrance or liens of any kind.

Sec. 9. If there is any encumbrance or liens of any kind on said cotton at time of its storage the nature and amount of same shall be clearly set out and it is hereby made the duty of the public warehouseman or his authorized agent issuing the receipt, to have said blank filled in and signed by owner of the cotton before issuing a negotiable receipt against same; provided, however, such statement need not be made if a non-negotiable receipt is desired, but in such cases the public warehouseman issuing said receipt shall write or stamp across the face thereof the words "not negotiable."

Sec. 10. If a person holding a non-negotiable receipt for cotton as herein provided for, shall desire to obtain a negotiable receipt in lieu thereof, he shall return said non-negotiable receipt to the public warehouse issuing same and thereupon shall comply in every respect with the provisions of this chapter relating to negotiable receipts, and upon com-

pliance therewith a negotiable receipt shall be issued to him in lieu of said non-negotiable receipt, and said non-negotiable receipt thereupon shall be cancelled and the word "cancelled" plainly marked in ink across the face thereof.

Sec. 11. Any person making a false statement concerning liens, mortgages, encumbrances or indebtedness of whatsoever nature against the cotton, or who shall in any particular conceal the existence of liens, mortgages, encumbrances or indebtedness of any kind that may exist against such action, or who shall fail to truthfully make the statements provided for by this act, shall be deemed guilty of a felony, and upon conviction thereof shall be punished by a fine of one thousand dollars or imprisonment in the penitentiary for one year, or by both such fine and imprisonment.

Sec. 12. No public warehouse receipt shall be issued upon the actual previous delivery of the goods in the public warehouse or on the premises, and under the control of the public warehousemen by whom it purports to be issued; and the name of the warehouse shall invariably be specified in such receipt.

Sec. 13. On the presentation and the terms of the warehouseman of any public warehouse receipt issued by him and properly endorsed, and the tender of all proper warehouse charges upon the property represented by it, such property shall be delivered immediately to the holder of such receipt; but no public warehouseman who shall issue a receipt for goods shall, under no circumstances or upon any order of guarantee whatsoever, deliver the property for which receipts have been issued, until the said receipt shall have been surrendered and cancelled, except in case of lost receipts, as provided for in Section 4; and, in default of the strict compliance with the provisions of this article, he shall be held liable to the legal holder of the receipt for the full value of the property therein described, as it appeared on the day of the default, and shall, furthermore, be liable to the special penalty herein provided. Upon delivery of the goods from the warehouse, upon any receipt, such receipt shall be plainly marked in ink across its face with the words "cancelled" with the name of the person cancelling the same and shall thereafter be void and shall not again be put in circulation.

Sec. 14. No public warehouseman shall insert in the public warehouse receipt issued by him any language limiting or modifying his liabilities or re-

sponsibilities as imposed by the laws of this State, excepting "not accountable for leakage or depreciation," or words of like import and meaning.

Sec. 15. The receipt issued against property stored in public warehouses as herein provided for shall be negotiable and transferable by endorsement in blank or by special endorsement, and delivery in the same manner and to the same extent as bills of exchange and promissory notes now are, without other formality; and the transferee or holder of such public warehouse receipts shall be considered and held as the actual and exclusive owner, to all intents and purposes of the property therein described, subject only to the lien and privileges of the public warehouseman for storage and other warehouse charges; provided, however, that all such public warehouse receipts as shall have the words "not negotiable" plainly written or stamped on the face thereof shall be exempt from the provisions of this article; and provided, further, that no public warehouseman shall issue warehouse receipts against his own property in his own warehouse; but upon sale of such property in good faith may issue to the purchaser his public warehouse receipt in form and manner as herein provided, which issue and delivery of the receipt shall be deemed to complete the sale, and shall constitute the purchaser full owner, as aforesaid, of the property therein described. Nothing in this last clause shall be construed to exempt the issuer of said receipt for his own goods in his own public warehouse, from complying with and being subject in all respects to all other articles of this chapter.

Sec. 16. Any public warehouseman who violates any of the provisions of this law shall be deemed guilty of criminal offense, and, upon indictment and conviction thereof, shall be punished by fine in any sum not exceeding five thousand dollars, or imprisonment in the State penitentiary not exceeding two years or by both such fine and imprisonment.

Sec. 17. Any, every and all persons aggrieved by the violations aforesaid shall have the right to maintain and act against the person or persons, corporation or corporations violating any of the provisions of this law, for the recovery of damages which he or they may have sustained by reason of such violation aforesaid, before any court of competent jurisdiction, whether such person or persons violating shall have been con-

victed of criminal offense under this law or not.

Sec. 18. Nothing in this law shall be construed to apply to private warehouses or to the issue of receipts by their owners or managers under existing laws, or to prohibit public warehousemen from issuing receipts as are now issued by private warehousemen under existing laws; provided, that such private warehouse receipts issued by public warehousemen shall never be written on the form or blank indicating that it is issued from the public warehouse, but shall, on the contrary, bear on its face in large characters the words "not a public warehouse receipt."

Sec. 19. The fact that the existing law regarding the regulation of bonded warehouses is inadequate to meet the requirements of commerce and properly safeguards the handling of cotton and other products stored in such warehouse creates an emergency and imperative necessity that the constitutional rule requiring bills to be read on three several days be suspended, and that this bill be passed on its third reading and final passage and take effect and be in force from and after its passage, and it is so enacted.

#### SENATE BILL NO. 7.

S. B. No. 7.

By Lattimore.

#### A BILL

#### To Be Entitled

An Act to authorize the appointment of State Weighers and Graders of cotton in public warehouses; to further regulate cotton warehouse receipts; to facilitate the lending of money thereon; to make cotton warehouse receipts safer collateral for the loan of money; to enable the farmers of Texas to obtain money on cotton warehouse receipts; prescribing the life of this bill, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. Upon satisfactory written showing, under oath, of not less than five reputable citizens of such county, at least two of whom must be connected with a bank or banks in such county, which showing shall set out on the personal knowledge of such citizens, the experience and competence of such proposed appointee, and upon the written request by some public warehouse in such county for such appointment,

the commissioners court of any county in Texas is hereby authorized to make its order appointing as a "State Weigher and Grader of Cotton" the person so requested for appointment, who may be the owner or manager of such warehouse.

Sec. 2. Before entering upon his duties, such "State Weigher and Grader" shall file with the county clerk of such county a bond in the sum of \$5000, signed by such weigher and grader and by such warehouseman, as principals, and by sufficient sureties, either personal or a bonding company, which bond shall be approved by the said county clerk and shall be payable to the county judge of such county for the use and benefit of any person who may be aggrieved by a violation of its terms, said bond being conditioned that the said weigher and grader shall not wilfully or fraudulently fix any false weight or grade for any cotton stored in such warehouse, and that each identical bale of cotton so stored will, upon proper demand, be returned to the holder of the receipt issued therefor, except in case of destruction by fire. The bond, together with the written request for such appointment, and the written showing of competence, shall be kept on file by said county clerk for as much as two years after this law ceases to be operative.

Sec. 3. In addition to the matters now required by law to be set out in cotton warehouse receipts, all such receipts issued by a warehouse having complied with the provisions of this act shall contain the name of the person who weighed and graded said cotton, who shall be therein designated as "State Weigher and Grader."

Sec. 4. The State of Texas hereby guarantees to any person lending money on a cotton receipt issued in compliance with this act an amount equal to 80 per cent of the actual market value per bale of cotton, of the grade as set out in said receipt, at the time and place such receipt was issued; that is to say, any person lending money on such cotton receipt who sustains a loss of more than 20 per cent, caused by any error in the grade of such cotton, is hereby authorized to hold the State liable for such excess loss over said 20 per cent, and if necessary to fix amount of said loss may make the State a party with such weigher and grader and warehouseman, in a suit in any court of competent jurisdiction in the county where such warehouse is located, service for that purpose being had upon the county

attorney of such county, whose duty it is made to represent the State in such proceeding; judgment, if any, in such case to be against the warehouseman, the State Weigher and Grader and bondsmen and the State in the order named.

Sec. 5. Upon certificate of the county judge of said county to the Comptroller of Public Accounts that any unpaid balance of such judgment remains after exhausting the liability of such warehouseman, weigher and grader and their bondsmen, the said Comptroller shall issue his warrant upon the State for such amount payable to the person certified as owner of such judgment.

Sec. 6. Any person who shall wilfully and fraudulently fix a false weight or grade for any cotton stored in such public warehouse shall be deemed guilty of a felony and upon conviction shall be punished by confinement in the State penitentiary for a period of not less than two years and not more than seven years.

Sec. 7. This bill being enacted to meet great public necessity caused by foreign war, it is hereby declared that it shall cease to be operative on July 1, 1915.

Sec. 8. This act is declared to be cumulative of all warehouse legislation now on the statute books of Texas, and not to interfere with or prevent the operation of private warehouses nor public warehouses operative under existing laws which do not avail themselves of the provisions hereof.

Sec. 9. The urgent need of adequate cotton warehouse receipts to meet immediate needs of the farmers of this State for stable collateral upon which they may obtain money and avoid the necessity of sacrificing their cotton, and the fact that the time is so limited in which the people may get the benefits of this act, creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days be and the same is hereby suspended, and this bill shall become effective from and after its passage, and it is so enacted.

#### MESSAGE FROM THE GOVERNOR.

Governor's Office,  
State of Texas.

Austin, August 29, 1914.

To the Senate and House of Representatives:

About the time, or after I issued my

proclamation convening the Legislature in special session, Hon. W. G. McAdoo, Secretary of the Treasury, invited a conference of representative men and public officials from the South to discuss the situation with reference to financing and handling the cotton crop for the present season. This meeting was convened in Washington on the 24th day of August. At my request, Hon. W. W. Collier, Commissioner of Insurance and Banking, went to Washington to attend this conference.

I am pleased to hand you herewith copy of his report made to me on said conference. In my message to you at the opening of the Legislature, I called attention to the probable course which domestic spinners would take in the purchase of supplies of cotton for the operation of their mills. I shall not discuss Mr. Collier's report in detail in this message, for it is a clear and able presentation of the matters discussed, but I do want to especially invite your attention to his report of the remarks of a representative New England spinner, who was invited to attend the conference, and in a speech vigorously opposed the government's taking any part in the movement for the relief of the cotton growers of the South. He frankly stated that heretofore the American cotton mills had to pay competitive prices for cotton manufactured by them; that the European spinners bid up the price on them. Now that the European spinners were out of the market, he contended that the American spinners should be left free to purchase their cotton under present distressed conditions.

Every hour the Legislature of Texas delays in passing an efficient warehouse law increases the chance of American spinners to purchase cotton under these distressed conditions, at less than the cost of production. Mr. Collier's report is respectfully submitted therewith and made a part of this message to you.

Respectfully submitted,

O. B. COLQUITT,  
Governor of Texas.

Austin, Texas, August 28, 1914.

Hon. O. B. Colquitt, Governor, Capitol.

Dear Sir: Herewith I beg to hand you report of my recent trip to Washington City, to which place I went in order to attend a meeting which had been called by the Secretary of the Treasury of the United States and which was convened on the 24th day of Au-

gust, 1914, and which meeting was called for the purpose of considering the situation with reference to cotton. The Secretary invited to this meeting the cotton growers of the South, representatives of the spinners, bankers and cotton dealers. Mr. Royal A. Ferris, of Dallas, Texas, president of the National Currency Association of this district, urged upon me the necessity of my attending, and after consultation with you I decided to accompany him to Washington City for the purpose of attending the hearing, and did so. Judge George W. Riddle, President of the First State Bank of Dallas, accompanied Mr. Ferris and myself.

The hearing was held for two days. There was a very large attendance, composed of those engaged in the various occupations suggested above. I would estimate that there were five hundred present. There sat with Mr. McAdoo at the hearing all the members of the Federal Reserve Board of the United States, Mr. Secretary Houston of the Department of Agriculture and Mr. Burleson, Postmaster General.

The State bankers from the South in the opening hearing suggested to Mr. McAdoo as one aid in remedying the cotton situation that State banks be permitted to join the National Currency Association and issue emergency currency under the Aldrich-Vreeland Act, the same as national banks are permitted to do. This suggestion was immediately declined by Mr. McAdoo, as well as by the other members of the Cabinet sitting with him, and may as well be dismissed from consideration in Texas.

During the progress of the hearing I talked with Mr. McAdoo personally about this matter, and he stated that his decision was final; that there was no occasion for further consideration of the question of State banks being permitted to join National Currency Associations and issue currency under the act referred to; that the administration's determination on this question was final.

No system was decided upon either by Mr. McAdoo or those present for handling the cotton situation, but Mr. McAdoo has under advisement the various suggestions made and the information given him. He selected from those present a committee of eighteen to further advise with him and make suggestions. What the outcome will be is not now known and cannot be known at this time.

From the public discussion of the mat-

ter and the private consultations which I had with Mr. McAdoo, I think, however, that this much is certain, that Federal reserve banks will be permitted to loan money to member banks upon commercial paper secured by properly safeguarded warehouse receipts as collateral. This much Mr. McAdoo stated. Under the Federal reserve act a member bank is permitted to borrow money from the regional reserve bank of which it is a member, by authority of Section 13 of the Federal reserve act, which reads as follows:

"Any Federal reserve bank may receive from any of its member banks, and from the United States, deposits of current funds in lawful money, national bank notes, Federal reserve notes, or checks and drafts upon solvent member banks, payable upon presentation; or, solely for exchange purposes, may receive from other Federal reserve banks deposits of current funds in lawful money, national bank notes, or checks and drafts upon solvent members or other Federal reserve banks, payable upon presentation.

"Upon the endorsement of any of its member banks, with a waiver of demand, notice and protest by such bank, any Federal reserve bank may discount notes, drafts and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes. the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this act. Nothing in this act contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the government of the United States. Notes, drafts and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than ninety days; provided, that notes, drafts and bills drawn or issued for agricultural purposes or based on live stock and having a maturity not exceeding six months may be discounted

in an amount to be limited to a percentage of the capital of the Federal reserve bank, to be ascertained and fixed by the Federal Reserve Board.

"Any Federal reserve bank may discount acceptances which are based on the importation or exportation of goods and which have a maturity at time of discount of not more than three months, and endorsed by at least one member bank. The amount of acceptances so discounted shall at no time exceed one-half the paid-up capital stock and surplus of the bank for which the rediscounts are made.

"The aggregate of such notes and bills bearing the signature and endorsement of any one person, company, firm, or corporation rediscounted for any one bank shall at no time exceed 10 per centum of the unimpaired capital and surplus of said bank; but this restriction shall not apply to the discount of bills of exchange in good faith against actually existing values.

"Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of goods having not more than six months sight to run; but no bank shall accept such bills to an amount equal at any time in the aggregate more than one-half its paid-up capital stock and surplus."

So far as the State banks are concerned the relief which they obtain through the instrumentality of the national government must be obtained under the foregoing section of the Federal Reserve Act and the collateral sections thereto. As suggested, Mr. McAdoo stated that money would be loaned to member banks of the Regional Reserve Banks on paper secured by warehouse receipts properly safeguarded. Mr. McAdoo did not go into details as to what he considered a properly safeguarded warehouse receipt. He did state, however, that such a receipt must guarantee the delivery of the actual cotton and ought to contain a provision guaranteeing weights and grades. I did not discuss with Mr. McAdoo, nor did the meeting discuss with him, as to what would properly be safeguarded receipts, other than in the respect suggested. He stated, however, that the party or parties issuing the warehouse receipt should be parties of known and established responsibility. I discussed with him personally the emergency bill prepared at your suggestion and presented to the Legislature, with the details of which I was familiar before I

left for Washington, and while Mr. McAdoo had not had the opportunity to study the matter carefully and could not do so in the limited time which he was able to give me while in Washington, he did state that the receipts proposed to be issued by the State under that bill would constitute highly acceptable collateral for rediscount by the Federal Reserve Bank of our district, or for the purpose of securing emergency currency by any member of the national currency associations, of which associations the national banks of this State are permitted to become members. He made another statement with reference to commercial paper secured by warehouse receipts issued under the proposed measure, the effect of which you can appreciate with a little further explanation.

As suggested, national banks are permitted to become members of the national currency associations under the Aldrich-Vreeland Act. Members of these associations are permitted to issue their notes against two different classes of paper, to be deposited by them to secure the additional circulation obtained. The first class is commercial paper. As to this class members of a national currency association are permitted to issue notes only to the extent of 30 per cent of their capital and unimpaired surplus. The only class of paper which they may use as collateral to secure note issues of this character consists of municipal, State and county bonds which have not defaulted in interest within the last ten years. By using this class of paper members of national currency associations may issue one hundred and twenty-five per cent of their capital and unimpaired surplus. This is not a complete statement of the rights of issue under the Aldrich-Vreeland Act, but sufficient for my present purpose.

Now the additional statement which Mr. McAdoo made was that he was inclined to give the warehouse receipts proposed by the measure now before the Legislature a bond classification for issues of currency under the Aldrich-Vreeland Act. This is to say, a bank using paper secured by warehouse receipts issued by the State under the bill now before the Legislature, would have the same value as a currency basis as have municipal bonds, instead of being classed as commercial paper. Therefore, a member of a national currency association seeking to obtain currency under the Aldrich-Vreeland Act could obtain as large an issue of cur-

rency by the use of the paper secured by these warehouse receipts issued by the State as it could if it tendered municipal, county or State bonds.

Mr. McAdoo's opinion as to this was not final, but his exact words as I now recall them were that he "was disposed to give paper secured by these warehouse receipts a bond classification."

Again, I discussed this proposed Texas law with many bankers from every section of the country, and without a single dissent they expressed themselves to the effect that they would be highly pleased to have such a law in their own States.

I discussed the measure particularly with Mr. H. R. Eldridge, Vice-president of the National City Bank of New York, and he was very emphatic in his approval of the measure and used this argument, that there was at this time floating and being absorbed by the investing public approximately one billion dollars of unsecured commercial paper; that he fully believed that an evidence of debt secured by such warehouse receipts as are proposed by this bill would commend itself to the investing public and that millions of dollars worth of this class of paper would be absorbed by investors throughout the United States.

From information gained by me at Washington, after having conversed with spinners, producers, bankers, buyers and men in the cotton trade generally, I find the consensus of opinion to be that it will be necessary to carry over until the next year approximately three and one-half million bales of cotton; some estimate as high as four million, none estimate below three million. The time that this cotton will have to be carried depends in a large measure upon the duration of the European war. Under existing conditions foreign spinners will of course not be in the market for any cotton until such time as conditions become normal.

As illustrating the extreme position of some spinners with reference to what should be done by the State and National governments concerning the cotton situation, I will call your attention to one instance. I do not state that this illustrates the general view of the spinners, but that it is the extreme view of one who was of sufficient importance to be invited to attend the hearing. A certain spinner stated in the open hearing that heretofore the Northern spinners had been forced to pay Southern producers a competitive price for their cotton; but now they had a

chance to name their own price and he did not think it was right for the National Government to "butt in" and help the cotton grower. The general feeling, however, was that it was the duty of all interested parties in all earnestness and with great sincerity of purpose, from patriotic motives, to do what lay within them to protect the producers of cotton and the credit of the country generally, especially the South.

By suggestion of the representatives of the State banks in the South a bill has been prepared and introduced in the National Congress reducing the minimum amount of capital required of any State bank in order that it might join the Federal reserve bank from twenty-five to fifteen thousand dollars, with the agreement that such bank would, within the period of not later than nine months from its admission, increase its capital stock to twenty-five thousand dollars. The Federal Reserve Board was consulted in this matter and tentatively agreed to give the administration's support, and I have every reason to believe that the bill will speedily be passed.

It is estimated that the cotton production in Texas for this year will be four million bales. A large portion of this amount will be produced by small farmers, who are unable to even gather the cotton without the aid of the banks, much less carry it. If this cotton is permitted to go upon the market the cotton market will be entirely demoralized and no man can see the end of its effect. I believe it necessary to furnish the producers of cotton with some means which will result in preventing the demoralization of the market, as suggested.

The means at our command, if we act and act promptly, has three sources.

First: the membership of the State banks in the Federal Reserve Bank.

Second: the membership of National banks in the Federal Reserve Bank.

Third: the membership of the National banks in a National Currency Association, under the Aldrich-Vreeland Act.

But a membership in either a Federal Reserve Bank or a National Currency Association is utterly worthless to either a State or National bank, unless the bank is in position to tender a class of security to the Federal Reserve Bank or the National Currency Association which will be acceptable on which to base a currency issue. And unless some means is devised of furnishing the banks a

collateral acceptable for this purpose, it is utterly impossible for them to obtain the necessary funds to enable the farmer to pick the cotton and hold the same and not precipitate a demoralization of the cotton market.

There are few warehouse corporations in this State of known financial strength and established credit, and therefore comparatively few warehouses in this State which could issue warehouse receipts acceptable as collateral to commercial paper upon which a currency issue might be based; and these warehouses are not located at points of production, but at points of concentration, and would benefit rather those who buy and concentrate cotton for purposes of profit. They will be of little, if any, benefit to the actual producer.

Any measure which may be designed must do two things: It must take the warehouse to the farmer and locate it at his own town, so that his cotton may be readily stored, and he must have a receipt which will not be questioned anywhere. Besides, whatever is done must be done at once, and it is now too late for any large number of private corporations to establish themselves in the commercial world so as to command the respect and confidence necessary to make the use of their receipts acceptable.

Besides, in the very nature of things, sufficient capital will not be invested in warehouses in small places to enable warehouse receipts issued by them to be used as a collateral to command confidence and prove acceptable.

As head of the Banking Department I am vitally interested in solving the problem now before the people and in preserving the credit of the banks, as well as of their customers. I say without hesitation that under the emergency measure, if the Legislature will enact it into law, I will be able to establish warehouses at every point in Texas where there is any reasonable demand therefor and where storage facilities may be obtained, within a few days after its enactment. I do not wish to leave the impression that I am an advocate of any particular theory or measure, but what I do wish to impress is that the emergency bill is one which in my judgment will relieve the situation in this State and create a respect which will inspire great confidence and be of great value in solving the problem now confronting us, and which will furnish a great measure of relief and protection to the producer.

As illustrative of the classes of security demanded by the national government as a basis for currency to be issued by the national currency association, and accentuating the necessity of a receipt issued by the State which would be acceptable at once, I call your attention to two incidents of recent occurrence in the State of Texas. A certain well known, large bank of this State, with resources of more than four million dollars, but which for the purpose of not disclosing the identity of same to the public we will call the national bank, joined a currency association and forwarded one hundred and seventy thousand dollars of the best paper contained in its portfolio to the national currency association, all of which was approved by the said association as a basis for issuing currency. The national currency association in turn reported it to the proper authorities at Washington. These authorities rejected approximately one hundred and twenty thousand dollars of this choice paper as a basis for currency issue, stating that the makers of the paper did not have sufficient commercial rating. I happen to know of my own knowledge that there was one piece of this rejected paper which was made by a party who owns at least three million dollars worth of real estate, a greater part of which is unincumbered. However, not being engaged in commercial business this party had no commercial rating. The other incident was of a similar nature. The point I wish to impress is that we have not at this time any large amount of satisfactory commercial paper in Texas on which to secure currency. Not that our paper is not good, because in the main it is as good as that of any other State, but our State is not a commercial State, and therefore the makers of its paper, although abundantly solvent, have no commercial rating, and we will therefore encounter more or less difficulty in securing the acceptance of our paper for issues of currency. This instance illustrates the difficulty which beset us and the reason why at this time the State should issue these cotton receipts and why receipts issued generally by other people can not hope to be accepted as collateral for the issuance of currency, either by the National Currency Association or the Federal reserve banks.

My remedies, therefore, so far as they have been developed in my own mind, may be briefly stated as follows:

1. The passage of the emergency bill

clothing the Banking Department with ample authority and sufficient funds to establish State warehouses throughout the State and issue receipts.

2. The passage of some additional laws bringing our State bank law into exact conformity and harmony with the Federal reserve act. I am now studying our law with a view of suggesting the preparation of measures which will bring this about.

3. That all State banks that are qualified at once join a Federal reserve bank and that those which are not qualified by reason of insufficient capital should, if they can do so, at once increase their capital and join a Federal reserve bank.

In making the suggestion that the administration of an emergency measure be placed in the Banking Department, I am by no means seeking more duties to perform; on the contrary, personally, I would rather forego the large responsibility and great labor it will entail, but the protection of the credit and standing of the State banks of this State is already placed on my department, and the department, under my predecessors, has established a standing in the commercial world which is second to none in the United States, and I feel certain that the receipts issued will find a ready approval by the National authorities and investing public generally.

Respectfully submitted,

W. W. COLLIER,  
Commissioner of Insurance and Banking.

## SEVENTH DAY.

Senate Chamber,  
Austin, Texas,

Tuesday, September 1, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.	Hall.
Bailey of DeWitt.	Harley.
Bailey of Harris.	Hudspeth.
Brelsford.	Johnson.
Carter.	Lattimore.
Clark.	McNealus.
Collins.	Morrow.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Warren.



Watson.  
Westbrook.

Wiley.  
Willacy.  
Absent.

McGregor.

Absent—Excused.

Nugent.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator McNealus.

#### EXCUSED.

On account of important business:

Senator Astin, for non-attendance on yesterday, on motion of Senator Terrell.

#### SIMPLE RESOLUTION.

By Senator Cowell:

Whereas, An adverse vote on any warehouse bill in the Senate at this time, under the provisions of the Constitution, would appear to block all legislation on such subject during this session of the Legislature, thus creating a delicate parliamentary situation, impelling the exercise of extreme caution; therefore, be it

Resolved, That the Senate go into a Committee of the Whole in this Chamber, immediately after the morning call, for the purpose of considering all warehouse bills reported out of committee, in an earnest effort to agree upon a single bill for submission to this body.

Senator Astin offered the following amendment, which was read:

Amend the resolution by inserting after the word "committee," "or such bills as may hereafter be reported out."

After discussion, Senator Wiley moved to table the amendment to the resolution, which motion was lost.

The amendment was then adopted.

Senator Wiley moved to table the resolution, as amended, and the motion was lost.

The resolution, as amended, was then adopted.

#### SIMPLE RESOLUTION.

By Senator Clark:

Resolved, That the Superintendent of Public Buildings and Grounds be requested to start the fans in the Senate at 8 o'clock every morning.

The resolution was read and adopted.

#### IN COMMITTEE OF WHOLE SENATE.

In accordance with the above resolution, the Senate resolved itself into a Committee of the Whole Senate.

#### IN THE SENATE.

(President Pro Tem. Warren in the chair.)

At 5 o'clock p. m. the committee of the whole reported to the Senate that it had risen, and desired to report progress and have leave to sit again.

#### SIMPLE RESOLUTION.

By Senator Taylor:

Whereas, Hon. Hugh Harris of Bell county, Democratic nominee for State Senator from the Twenty-seventh Senatorial District, is in the city; therefore, be it

Resolved, That he be invited to address the Senate, and be given the privileges of the floor.

The resolution was read and adopted, and Senators Taylor, Morrow, and McNealus were appointed as a committee in accordance with the above resolution.

#### ADJOURNMENT.

On motion of Senator Bailey of Harris, the Senate, at 5:30 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

#### APPENDIX.

#### COMMITTEE REPORTS.

Committee Room,  
Austin, Texas, August 31, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufactures, to whom was referred

S. B. No. 7, A bill to be entitled "An Act to authorize the appointment of State weighers and graders of cotton in public warehouses; to further regulate cotton warehouse receipts; to facilitate the lending of money thereon; to make cotton warehouse receipts safer collateral for loan of money; to enable the farmers of Texas to obtain money

on cotton warehouse receipts; prescribing the life of this bill, and declaring an emergency."

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass.

COLLINS, Chairman.

Committee Room,

Austin, Texas, August 31, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufactures, to whom was referred S. B. No. 9, A bill to be entitled "An Act to amend Chapter 37 of the General Laws, enacted by the Thirty-third Legislature, First Called Session, July 21 to August 19, A. D. 1913, providing for the conduct of the business of a public warehouseman, describing what constitutes such warehouse and defining what shall be held to be public warehousemen; providing that all persons, firms and corporations, or associations of persons, shall obtain a permit of authority from the Commissioner of Insurance and Banking, and defining the requisites of said permit; providing a bond for the public warehousemen; and providing that such public warehousemen shall issue negotiable and non-negotiable receipts for property stored in such warehouse, and vesting the supervision of such public warehouses in the Commissioner of Insurance and Banking, and defining his duty with reference to such warehouses, and directing said Commissioner to prescribe uniform public warehouse receipts for cotton; and requiring that any encumbrance on cotton stored in public warehouses shall be disclosed in the endorsement on the back of such negotiable receipt, and providing a penalty for failure to truthfully disclose such facts; preventing public warehousemen, by provisions inserted in their receipts, from limiting their liability under the law; providing for the negotiability of receipts issued; providing a penalty for public warehousemen who violate the provisions of this act; providing the conditions under which private warehousemen may conduct such business, and declaring an emergency."

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass.

COLLINS, Chairman.

## EIGHTH DAY.

Senate Chamber,  
Austin, Texas,

Wednesday, September 2, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Clark.	Real.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Watson.
Gibson.	Westbrook.
Greer.	Wiley.
Hall.	Willacy.
Harley.	
Hudspeth.	

Absent—Excused.

Nugent.

Prayer by Dr. V. A. Godbey.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Taylor.

## SIMPLE RESOLUTION.

By Senator McNealus:

Resolved, That further consideration of warehouse bills be postponed until September 24, 1914.

The resolution was read.

## MESSAGE FROM THE GOVERNOR.

Here a messenger from the Governor's Office appeared at the bar of the Senate and presented a "message from the Governor" to the Senate.

## SIMPLE RESOLUTION.

Action recurred on the pending simple resolution by Senator McNealus.

The resolution was read second time.

Senator Clark moved to table the resolution and moved the previous question on the motion to table. The motion for the previous question being duly seconded, was so ordered.

The motion to table the resolution was adopted.

## MESSAGES FROM THE GOVERNOR.

The Chair here laid before the Senate the following messages from the Governor:

Governor's Office.

Austin, Texas, September 2, 1914.

To the Senate:

Section 12 of Article 4 of the Constitution of Texas provides that all appointments to office made by the Governor during a recess of the Legislature, requiring confirmation by the Senate, shall be nominated by him to the Senate "during the first ten days of its session." In compliance with the provision of the Constitution referred to, I hereby nominate and ask the advice and consent of the Senate to the following appointments, to-wit:

To be judge of the Special District Court of the Fifth Judicial District—W. T. Armistead of Marion county.

To be judge of the Seventy-third Judicial District—W. F. Ezzell of Bexar county, to fill vacancy.

To be judge of the Fifty-ninth Judicial District—M. H. Garnett of Collin county, to fill vacancy.

To be judge of the Seventh Judicial District—Barney Briggs of Upshur county, to fill vacancy.

To be Criminal District Attorney for Harris county—Clarence Kendall of Harris county.

To be District Attorney of the Eighth Judicial District—Mayo W. Neyland of Hunt county.

To be members of various governing boards of educational and eleemosynary institutions, to fill vacancies for unexpired terms as shown by their commissions:

To be members of the Board of Regents of the University of Texas: Will C. Hogg of Harris county, David Harrell of Travis county and J. W. Graham of Travis county.

To be member of the Board of Managers for the Confederate Home—W. M. Walton of Travis county.

To be members of the Board of Managers for the Confederate Woman's Home—James Keeble of Travis county and Pete Lawless of Travis county.

To be members of the Board of Trustees for the Deaf and Dumb Institute—Ike D. White of Travis county, Wm. Bohn of Travis county and A. W. Pfluger of Travis county.

To be member of the Board of Managers for the State Orphan Home at Corsicana—W. B. Gray of Navarro county.

To be member of the Board of Managers for the State Lunatic Asylum at Austin—Peter Schramm of Williamson county.

To be members of the Board of Managers for the Southwestern Insane Asylum at San Antonio—Atlee B. Ayres of Bexar county.

To be members of the Board of Regents for the State Normal Schools—Sam Sparks of Travis county and J. S. Kendall of Dallas county.

To be member of the State Board of Pharmacy—W. H. Cousins of Wichita county.

To be member of the State Board of Medical Examiners—Dr. E. M. Woods of Williamson county.

To be member of the Board of Pilot Commissioners for the Sabine-Neches Canal—Robert Morgan, Jr., of Orange county.

To be member of Governing Board of the Agricultural Experiment Stations—W. A. Tynes of Delta county.

To be members of the Industrial Accident Board—Jos. D. Sayers of Travis county, W. J. Moran of Tarrant county and O. P. Pyle of Bell county.

To be members of the Board of Water Engineers—J. C. Nagle of Brazos county for the six-year term, Jno. Wilson of Ward county for the four-year term and E. B. Gore of Hidalgo county for the two-year term.

To be Dairy and Pure Food Commissioner—Claude O. Yates of Travis county.

To be member of the State Fire Insurance Commission—S. Wallace Inglish of Cooke county.

Respectfully submitted,

O. B. COLQUITT,  
Governor of Texas.

Governor's Office,

Austin, Texas, September 2, 1914.

To the Senate:

In conformity with Section 12, Article 4 of the Constitution of Texas, which requires that the Governor shall transmit to the Senate his recess appointments within ten days after it convenes, I beg to respectfully ask the advice and consent of the Senate to the following recess appointments, to-wit:

To be members of the Board of Prison Commissioners—W. O. Murray of Wilson County, Sidney J. Bass of Kaufman County and W. O. Stamps of Upshur County.

In transmitting the foregoing appointments, I am constrained, with the per-

mission of the Senate, to submit the following observations:

Following the investigation by the Legislature into prison affairs, the Thirty-first Legislature, at one of its special sessions, enacted a new law for the government and control of the State's prison system. This new law created the Board of Prison Commissioners, and conferred the absolute management and control of prison affairs into their hands. This Board of Prison Commissioners, by the terms of the statute, was to be appointed by the Governor, beginning for terms of eight, sixteen and twenty-four months. In exact harmony with the requirement of this statute, three Prison Commissioners were appointed, one named for eight months, one for sixteen months and one for twenty-four months, and at the expiration of said terms, the Commissioners originally appointed were reappointed.

On the last day of the First Called Session of the Thirty-third Legislature, the Senate rejected all three of these Commissioners. The duty was imposed upon the Governor, under the Constitution, to appoint other citizens of the State to take their places. On assuming the duties of the Governor's office on January 17th, 1911, I was confronted with the duty of appointing a Board of Prison Commissioners, and charged with reorganizing the penitentiary system under the new law. Although I had an office in the Capitol, and was here practically all the time when this new prison law was being discussed and framed, I was not consulted as to its provisions and did not inject my opinions into the discussion of the bill.

In my campaign for the Democratic nomination for Governor I had advocated a reformation in prison management, and this promise I have endeavored to carry out to the best of my ability so far as the law permitted me to do so, to the end that the general management and treatment of prisoners has become more humane and in harmony with what I believe to be the wish and desire of the Christian community comprising the population of our great commonwealth.

Unfortunately the prison system was without money to carry into effect the provisions of the new law. The new law entailed upon the prison management extraordinary expenses which are not necessary to be mentioned here, for

the present Senate understands them. Midst the strife and turmoil and bitterness, I have endeavored at all times to be patient, forbearing and as charitable as possible, under most provoking circumstances.

In a little more than five months, my second term as Governor will expire, and I hope that I will be permitted to complete my term of office in peace and harmony with all good citizens interested in the welfare of the State, and especially in the successful and humane management of our prison affairs. After the adjournment of the First Called Session of the present Legislature, the duty devolved upon me to select three new Prison Commissioners. It was exceedingly difficult to prevail upon those whom I desired to appoint, to accept service in this branch of the State government. I tendered appointment to places to two ex-Senators who had resigned their places in the Senate to accept service with the administration. One of these indicated a willingness to accept the appointment and the other declined. Whereupon I tendered the remaining two places on the Board of Prison Commissioners to two members of the Senate whom I looked upon as being competent to discharge the duties of these responsible places, who were not my political supporters. I was prompted to do this in part on account of the desire to see the penitentiary absolutely divorced from politics, and the provisions of the constitutional amendment expressed in Section 58, Article 16, fully carried out. These Senators declined my offer of appointment.

After offering the places to numerous worthy citizens, it was several weeks before I could secure the acceptance of appointments to fill the two places still remaining vacant. The Prison Commissioners now in office had a most arduous duty to perform, and I believe that they have discharged this duty well. They have conducted the affairs of the prison system in a harmonious manner, have brought about great reductions in the operating expenses of the prison system, and in every way have proven themselves worthy of their trust. I submit for your consideration in this connection the following comparative statement of expenses for the first six months of the years 1912, 1913 and 1914, to show their general successful business management:

	1912	1913	1914
January .....	\$143,644.99	\$125,635.57	\$ 90,171.75
February .....	126,957.88	113,636.35	84,601.39
March .....	157,877.55	113,387.09	66,383.50
April .....	128,759.71	92,787.23	56,539.47
May .....	122,709.26	107,647.85	52,484.99
June .....	115,373.97	109,195.67	53,207.43
Total .....	\$795,323.36	\$662,291.66	\$403,388.52

I am induced to submit these observations along with the nominations for Prison Commissioners on account of the information reaching me that one of the members of your distinguished body was polling the Senate with a view of committing sufficient members to unfavorable action upon the appointments, in order that my successor might have the appointment of Prison Commissioners. We have all taken the oath which obligates us to uphold and support the Constitution. The constitutional amendment was intended to take the prison management, as far as possible, out of politics, and to prevent it from being subject to administrative changes in the Governor's office. To refuse to confirm the present Prison Commissioners for the political reason above suggested, it seems to me would negative the purpose of the constitutional provision bearing on this subject.

If there is any other reason than that assigned why these Prison Commissioners should not be continued in office, it has not been reported to me. Knowing my appointees as I do, I believe I can say without hesitation that if my successor has policies affecting prison management which the present Prison Commissioners can not conscientiously approve, out of respect to themselves and to the Governor, they would not wish to continue in service. However, this opinion is due to the faith and confidence I have in the high integrity and purposes of the personnel of the Prison Commission. In making the statement, I am not attempting to speak for them, but only for myself as to what I believe would actuate them.

I hear no one objecting to the confirmation of Hon. W. O. Murray, who for the last fifteen years or more has served in the Legislature of Texas, either in the House of Representatives or in the Senate. When I was a member of the State Senate, he was the chairman of finance committee of the House of Representatives, and I dare say that no more industrious or conscientious man

ever occupied that important chairmanship in the popular branch of our Legislature. Mr. Murray has had experience as a merchant, as a banker, as a farmer and as a legislator, and has made a marked success in managing the finances of the prison system since he was elected finance commissioner. He has acted as chairman of the Commission from the time of his appointment. He is a man of great industry, of unswerving will and unchallenged integrity.

Sidney J. Bass of Kaufman county is a man whom I have known for more than a quarter of a century. For personal honor and honesty, consecration to duty in the discharge of any public trust or of a private citizen, he is the equal of any. He is modest, of but few words, but a man of splendid judgment and ability, and a good organizer, as shown by the success of his efforts since becoming a member of the Board of Prison Commissioners. He has reorganized the farm forces, and the statement quoted below shows that he has reduced the expenses in managing the prison farms for the first seven months of the year 1914 as compared with the same months of 1913, more than \$131,000.

It is urged against Mr. Bass that he is not a practical farmer. On the contrary, I submit that the result of one's labor is the best proof of his efficiency. Mr. Bass's success is attested by the fact that all of the farm forces now working on the prison plantations are well organized, harmoniously managed, and are being worked with the best result. Unless some unforeseen calamity takes place, we have the promise of the biggest cotton crop ever produced on the prison farms, and other crops likewise are promising. The following comparative statement of operating expenses of State farms for the first seven months of the years 1913 and 1914 is evidence of Mr. Bass's successful organization and business management of these farms:

Farm	1913	1914	Decrease	Increase
Harlem .....	\$ 63,858.54	\$ 41,366.33	\$ 22,492.21	
Imperial .....	78,940.05	52,019.76	26,920.29	
Clemens .....	83,075.24	52,248.91	30,826.33	
Ramsey .....	86,285.94	55,578.59	30,707.35	
Wynne .....	19,605.81	11,856.20	7,749.61	
Goree .....	13,333.82	7,658.06	5,675.76	
B. Blakely .....	23,467.70	20,609.21	2,858.49	
House .....	32,467.57	34,156.87	.....	\$1,689.30
Shaw .....	17,293.83	14,620.84	2,672.99	
Trammell .....	22,018.95	18,866.92	3,152.03	
Total .....	\$440,347.45	\$308,981.69	\$133,055.06	\$1,689.30
Net .....			\$131,365.76	
Rogers Farm .....		\$13,155.48		
(Established 1914.)				

The Senate already understands that upon each one of these farms a superintendent is employed who has active charge and direct supervision of the prisoners and the work they do upon the farm. Most of these superintendents are men of experience in handling prison labor, and in the cultivation of Brazos bottom lands, and the results obtained under Commissioner Bass's supervision fully attest his ability as a "business farmer." It is true that before his appointment as Prison Commissioner, he had for a number of years theretofore been engaged in mercantile pursuits, but like many of our successful men, while he engaged in business pursuits and resided in town, he owned and was interested in and managed a farm in the country. The best evidence of practical management of the prison farms is success itself.

The third member of the Board of Prison Commissioners, Hon. W. O. Stamps of Upshur county, has had long experience as a business man and as a farmer. At the time of his appointment, he was the president of a State bank in a country town, was interested in the mercantile business with his sons, and had theretofore had much experience in the management of manufacturing industries and in farming. He served his district in the Legislature, was an active member of the committee appointed by the Thirty-first Legislature to investigate the abuses in the management of State prison affairs, and was an active advocate and supporter of the present prison law. I have heard no criticism of him, except of his humane manner and kind treatment of the prisoners. He has been designated as the Commissioner to have charge of the prisoners and the industries of the prison at Huntsville and at Rusk.

Mr. Stamps, when I was first elected Governor, supported one of my opponents, and came to the Legislature feeling antagonistic toward me. But I am proud to say of him, and to his credit, that after he became better acquainted with me personally, and understood my purposes and disposition more perfectly, that he ceased to be an opponent, and became a friend and cooperated with me to secure immediate amendments to the prison law. In making my appointments to office, I have always preferred to confer honors upon those who were my political friends, and have always given them the preference, other things being equal. But I have been guided principally by a desire to appoint competent and worthy men to public places. While this course I think is not subject to just criticism, at the same time, I deem it not out of place to say that at least two of my appointees on the present Board of Prison Commissioners have at different times opposed my nomination for Governor. In the discharge of my public duty, however, I have striven to rise above being controlled by past differences of opinion, and in these cases have conferred appointments upon men who I believe to be entirely worthy of my confidences and of the confidence of the Senate.

Much has been said about putting the prison system upon a self-supporting basis. This is much easier said than done, for out of 3700 convicts in the penitentiary, at least two-thirds of them work upon prison farms. The product of these farms depends much upon the seasons, and are subject to floods and pests, just as privately owned farms are. However, under the management of the present Board of Prison Commissioners, expenses of operating have been reduced to the minimum of \$65,000 per month, which was about the expense in-

curred in the support of the prison system under the old law, and there are several hundred more prisoners now to be cared for than were in the penitentiary four years ago. Notwithstanding all the losses by floods and by fire, the prison system has already about been placed on a self supporting basis, assuming that the crops now practically made can be successfully harvested and marketed at their reasonable value.

I learn that it has been suggested that the Senate do not now act upon my recess appointments for Prison Commissioners, but that action be deferred until the regular session of the Senate next January, at which time it is hoped to defeat and humiliate at least two of the appointments now submitted for your consideration. I earnestly appeal for a square deal for these men, and believe that they are entitled to consideration at this time.

Respectfully submitted,  
O. B. COLQUITT,  
Governor of Texas.

#### MESSAGE FROM THE GOVERNOR.

Pending the reading of the above messages, the following message was presented to the Senate by messenger from the Governor's office:

Governor's Office.

Austin, Texas, September 3, 1914.

To the Senate:

I ask the advice and consent of the Senate to the appointment of the following persons to be Notaries Public:

Atascosa County—J. D. Peeler, Carl Hollingsworth.

Bastrop County—W. L. Moore.

Bell County—S. D. Hanna, R. H. Patterson, W. R. Butler, Jr., B. B. Chapell and Lewis H. Jones.

Bexar County—T. W. Schoepfer, W. S. Kotch, J. F. Boyls, Mrs. Jos. Aldridge, E. E. Kreuger, Frances R. Howard, C. R. Young, Louise Haecker, Annie Saxon and George C. Westervelt.

Cameron County—H. S. Williams, G. E. Dodd, H. W. Williams.

Cass County—E. H. Ball, A. C. Oliver, Jr., A. B. Morris, L. H. Avinger and M. G. Jackson, D. B. Tomberlain.

Coke County—J. T. Daniel and W. V. Greenland.

Collingsworth County—W. A. Walker, T. N. Childress.

Cooke County—Mrs. J. D. Haynes.

Dallas County—Geo. A. Nicoud, T. F. Monroe, W. L. Ward, Neill H. Banister.

Walter Graner, Wiley A. Bell, Jr., H. C. Bishop, Ewing Claggett, Wm. Arch Jones, W. L. Moore, Harry U. Campbell, G. C. Roughton, A. F. Hambrick, Roscoe C. Moore, Louise Porter, W. C. Woodlief, Theodore Monroe, Oscar Hamilton, Will Ward, N. G. Cofer, T. A. Beatty, C. C. Curtis, R. F. Wells, E. E. Luesley, K. J. Pitts, F. S. Custis, E. M. Thompson, W. O. Smith, Olin E. Nesmith, Claud P. Mann, W. J. Rawls, J. D. Bowles, Evan Rees, M. E. Morrison, R. L. Thornton, Lillian Thixton, A. F. Carter, J. H. Niendorf, M. M. Garrett, A. R. Harned, Earnest R. Tennant, Pearson Ballowe, W. A. Fosdick, Forrest M. Anderson, W. Hoy Wray, Austin F. Allen, Moina Campbell, R. E. Erwin, Jos. W. Bailey, Paul C. Greene, H. H. Manner, Louis H. Porter, T. A. Beatty, C. G. Hommel, Emil G. Atlee, E. E. Turquette, W. R. Zanes, W. R. Lynch, W. M. Miller, Jr., W. D. Jones, Miss S. G. Gerber, W. E. Berry, R. B. Dowler, S. L. Byrd, Nell Boyd, Chas. C. Triplett, W. L. Estill, F. V. Nogueira, Thos. J. Jones, E. P. Gaston, C. B. Miller, R. L. Holmes, W. H. Marchbanks, W. L. Holmes, Mrs. Willye Babb, Grace McAleer, W. C. Rea, H. V. Haynes, William T. Sargeant, Robert Reisenberg, J. J. Metcalfe, L. F. Grigsby, Tarlton Morrow, W. R. McCauley, James Jackson, Spencer Adams, Prentice Wilson, Edna A. Wardall, Spence Hardie, Henry G. Thompson, Thurman Barrett.

Fort Bend County—Len. H. Lowry, G. A. Kunkel and J. S. McEachin, Jr.

Freestone County—James R. Sessions, Frio County—C. J. Harrington.

Galveston County—A. J. Crotty, R. C. Villemore, Bettie E. Norton and Georgiana Rogers.

Gray County—A. G. Richardson, W. H. Holt, Clay E. Thompson.

Grimes County—T. P. Buffington and A. H. Hill.

Harris County—Mrs. Mary Frances Curry, John T. Schulte, Henry Pincus, Mrs. Annie Kennary, M. E. Walrath, Mrs. Anna T. Dyer, A. D. Buskill, Wilbert Davis, Brooke W. Leman, C. C. Parker, C. L. Leach, J. E. Garrett, Chas. A. Tomlinson, Justin Dorbandt, H. Hoval, Leon A. Lusk, Benj. H. Smith, Fred Hathaway, Will C. Koester, J. B. Imber, H. D. Martin, A. H. Littlejohn, A. H. Ueckart, O. C. Bailey, J. M. Heiser.

Hill County—J. M. Meador.

Kleberg County—T. M. Closton.

Lee County—Noah Albers, J. R. Folkes.

Limestone County—R. G. Patton, Fred

T. Bennett, D. W. Harris, Miss Jim Sadler and James B. Franklin.  
 Martin County—H. L. Winchell.  
 Montgomery County—J. G. Montgomery, George I. Dean, C. W. Nugent, Jr.

Morris County—Geo. M. Black.  
 Nacogdoches County—J. W. Baker, Geo. F. Nngram, A. A. Seale, Cicero Kendrick, John B. Dorsey and R. W. Murphey.

Orange County—W. M. Gunstream, A. C. Snoko and O. R. Scholars.

Rockwall County—W. L. Douthit, Kate Birch and J. P. Shelton.

Runnels County—W. Z. Case, Sam Baker and E. P. Scarbrough.

San Patricio County—H. C. Mills.

Travis County—E. J. Drubert, Worth S. Ray, Addie McClellan, Noel K. Brown, G. T. Stanley, R. E. White, B. F. Brewer and W. S. Freund.

Upshur County—R. M. Briggs.

Walker County—L. C. Cooper.

Wichita County—C. M. McFarland, S. O. Jones, J. Z. Carter, M. L. Allday and Miss Paralee Ragsdale.

Respectfully submitted,

O. B. COLQUITT,  
 Governor of Texas.

#### EXECUTIVE SESSION—MOTION TO SET TIME FOR.

At the conclusion of the reading of the above messages, Senator Brelsford moved that the Senate proceed at once to resolve itself into Executive Session for the purpose of considering the appointments above nominated by the Governor.

Senator McGregor moved, as a substitute, that the Senate go into Executive Session on Friday, September 4, for the purpose of considering the nominations.

Senator Brelsford moved to table the substitute motion, which motion to table was adopted by the following vote:

Yeas—18.

Brelsford.	McNealus.
Collins.	Real.
Cowell.	Taylor.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hudspeth.	Westbrook.
Johnson.	Wiley.
Lattimore.	Willacy.

Nays—11.

Astin.	Carter.
Bailey of DeWitt.	Clark.
Bailey of Harris.	Conner.

S2—6

Hall.	Morrow.
Harley.	Terrell.
McGregor.	

Absent—Excused.

Nugent.

Senator Hudspeth moved to table the motion by Senator Brelsford, to proceed at once with executive session, and the motion to table was lost by the following vote:

Yeas—13.

Astin.	Hudspeth.
Bailey of DeWitt.	McGregor.
Bailey of Harris.	Morrow.
Carter.	Terrell.
Clark.	Watson.
Hall.	Willacy.
Harley.	

Nays—16.

Brelsford.	Lattimore.
Collins.	McNealus.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Johnson.	Wiley.

Absent—Excused.

Nugent.

The motion by Senator Brelsford was then adopted by the following vote:

Yeas—15.

Brelsford.	McNealus.
Collins.	Real.
Cowell.	Taylor.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Johnson.	Wiley.
Lattimore.	

Nays—14.

Astin.	Harley.
Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	McGregor.
Carter.	Morrow.
Clark.	Terrell.
Conner.	Watson.
Hall.	Willacy.

Absent—Excused.

Nugent.

After the above vote had been declared, and the Senate was preparing for Executive Session, Senator Hudspeth made the point of order that the rules of the Senate provided that appointments sent to the Senate by the Governor should lie over for one day and



could only be considered on the same day by unanimous consent.

The Chair sustained the point of order.

Senator Brelsford moved that Senate Rule 1725 be changed to read a "majority vote" be required to consider appointments by the Governor instead of "unanimous consent" and the motion was ruled out of order on a point of order that the morning call had not been concluded.

Senator Brelsford moved to suspend the regular order of business for the purpose of considering this motion. The motion was lost by the following vote, a two-thirds vote being required:

Yeas—15.

Brelsford.	McNealus.
Collins.	Real.
Conner.	Taylor.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Westbrook.
Greer.	Wiley.
Johnson.	

Nays—13.

Astin.	Hudspeth.
Bailey of DeWitt.	McGregor.
Bailey of Harris.	Morrow.
Carter.	Terrell.
Clark.	Watson.
Hall.	Willacy.
Harley.	

Absent.

Lattimore.

Absent—Excused.

Nugent.

Pending the continuing of the morning call, Senator Clark moved that the Senate recess until 3 o'clock today.

Senator Astin moved, as a substitute, that the Senate adjourn until 10 o'clock tomorrow morning.

Action recurred on the longest time first and the motion to adjourn was lost by the following vote:

Yeas—3.

Astin.	Watson.
Hudspeth.	

Nays—26.

Bailey of DeWitt.	Darwin.
Bailey of Harris.	Gibson.
Brelsford.	Greer.
Carter.	Hall.
Clark.	Harley.
Collins.	Johnson.
Conner.	Lattimore.
Cowell.	McGregor.

McNealus.  
Morrow.  
Real.  
Taylor.  
Terrell.

Townsend.  
Warren.  
Westbrook.  
Wiley.  
Willacy.

Absent—Excused.

Nugent.

Action then recurred on the motion to recess until 3 o'clock today and the same was lost by the following vote:

Yeas—14.

Astin.	McGregor.
Bailey of DeWitt.	Real.
Carter.	Taylor.
Clark.	Terrell.
Hall.	Watson.
Harley.	Wiley.
Hudspeth.	Willacy.

Nays—15.

Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Collins.	McNealus.
Conner.	Morrow.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Westbrook.
Greer.	

Absent—Excused.

Nugent.

Morning call concluded.

#### SENATE BILL NO. 1.

Action then recurred on the pending business and it was contended that Senate bill No. 1 was before the Senate, since it was under consideration at the close of the session on Monday, the regular pending business not being considered by the Senate on yesterday, it being considered before the Committee of the Whole Senate.

#### RECESS.

On motion of Senator Townsend the Senate, at 12:30 o'clock p. m., recessed until 3 o'clock today.

#### AFTER RECESS.

(Afternoon Session.)

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, September 2, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House

to inform the Senate that the House has passed the following resolutions:

S. C. R. No. 2 with amendments.

Simple resolution, extending invitation to Senate to hear ex-Senator Jos. W. Bailey address the House at 8 p. m. tonight.

Respectfully,  
W. R. LONG,  
Chief Clerk, House of Representatives.

#### HOUSE SIMPLE RESOLUTION.

The Chair laid before the Senate the following House simple resolution: .

Resolved, That the House extend to the Senate a cordial invitation to hear Senator Bailey speak in the Hall of Representatives tonight at 8 o'clock p. m., and that seats in the center aisle be set apart for them.

The resolution was read and on motion of Senator Lattimore, the invitation was accepted.

#### SENATE BILL NO. 1.

Action recurred on the pending business, S. B. No. 1, and

Senator Brelsford moved that further consideration of S. B. No. 1 be postponed until 5 o'clock today and that it be made a special order for that hour. (Senator Collins in the chair.)

The motion to make S. B. No. 1 a special order for 5 o'clock today was declared lost, the Chair (Senator Collins) holding that it required a two-thirds vote.

The vote on the motion was as follows:

Yeas—16.

Brelsford.	Johnson.
Carter.	Lattimore.
Collins.	McNealus.
Conner.	Real.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Westbrook.
Greer.	Wiley.

Nays—11.

Astin.	Hudspeth.
Bailey of DeWitt.	McGregor.
Bailey of Harris.	Terrell.
Clark.	Watson.
Hall.	Willacy.
Harley.	

Absent.

Morrow. Taylor.

Absent—Excused.

Nugent.

#### RESOLUTION SIGNED.

The Chair, President Pro Tem. Warren, gave notice of signing, and did sign, in the presence of the Senate, the following resolution:

H. C. R. No. 1, relating to amendments to the banking law.

#### SENATE CONCURRENT RESOLUTION NO. 2—HOUSE AMENDMENTS CONCURRED IN.

Senator Watson called up S. C. R. No. 2, with the following House amendment:

Amend by inserting at end of the resolution "To appropriate money for insuring the Capitol building."

On motion of Senator Watson the Senate concurred in the above House amendment.

#### SENATE BILL NO. 1.

Action recurred on S. B. No. 1, the pending regular order of business, known as the Wiley warehouse bill.

Senator Carter offered the following amendment, which was read and adopted:

Amend the bill, page 8, by striking out all of line 10 after the word "Commissioner" and all of line 11. and insert in lieu thereof the following: "in an amount not less than \$1000 nor more than \$25,000 at the discretion of the Commissioner of Insurance and Banking."

Senator Astin offered the following amendment:

Amend the bill, Section 1, Article 3, line 23, page 2, by striking out all after the word "ink" and all of lines 24 and 25.

On motion of Senator Bailey of Harris the amendment was tabled.

Senator Conner offered the following amendment, which was read and adopted:

Amend the bill, page 5, Section 2, Article 10, by striking out all after the words, "when received," in line 6, down to and including the word "delivered," in line 7, and inserting in lieu thereof the following: "which receipt shall guarantee the weight, grade and delivery of the cotton, in condition received,

natural and ordinary variations expected."

Senator Harley offered the following amendment, which was read and adopted:

Amend the bill, page 4, Article 8, by striking out the period after the word "seven," and insert the following, "or when he deems it necessary."

MORROW,  
HARLEY.

Senator Bailey of DeWitt offered the following amendment, which was read and adopted:

Amend the bill by striking out all of Article 5, Section 2, page 4, and inserting in lieu thereof the following: "Art. 5. The bond provided for in Article 4 shall be executed by the principal and two sureties to be approved by the county judge of the county in which such warehouse may be located, or by the principal and any bonding or surety company authorized to do business in this State to be approved, when executed, by such bonding or surety company as surety, by the Commissioner of Banking and Insurance."

Senator McNealus offered the following several amendments, which were read and adopted, being acted on severally:

(1)

Amend the printed bill, page 3, line 15, by striking out the word "charter" and substituting the word "permit."

(2)

Amend the printed bill, on page 4, line 7, by striking out the word "good."

(3)

Amend the printed bill, page 5, line 11, by striking out the word "charter," and substituting the word "permit."

(4)

Amend the printed bill, page 6, line 1, by striking out the word "charter" and substituting the word "permit."

Senator Harley offered the following amendment, which was read and adopted:

Amend the bill on page 4, line 11, by inserting before the word "validate" the word "in."

Senator Carter offered the following amendment, which was adopted:

Amend the bill, page 3, by striking out all of line 24 after the word "amount" and line 25 to and including the word "bales" and insert in lieu the

following: "not less than \$1000 and not more than \$25,000 at the discretion of the Commissioner of Insurance and Banking."

CARTER.  
HARLEY.

Senator Morrow offered the following amendment, which was read and adopted:

Amend bill by striking out Article 2, Section 1, page 2 and renumber the following articles to correspond; also by striking out Section 3, page 9.

Senator Clark offered the following amendment, which was read and adopted:

I move to strike out all of Section 4 of said bill.

Senator Wiley moved to reconsider the vote by which the above amendment, by Senator Clark, was adopted.

The motion to reconsider was adopted.

Action then recurred on the amendment and Senator Wiley moved to table the amendment by Senator Clark, which motion to table was adopted.

#### SIMPLE RESOLUTION.

By Senator Lattimore:

Resolved, That the Sergeant-at-Arms be authorized to provide the Secretary and the Journal Clerk with postage stamps, not exceeding \$1.50 each, for correspondence of their respective desks.

The resolution was read and adopted.

#### EXECUTIVE SESSION—TIME SET FOR.

Senator Brelsford, at 5:15 o'clock p. m., moved that the Senate designate tomorrow at 3 o'clock p. m. for the Senate to sit in Executive Session for the purpose of considering appointments by the Governor, sent to the Senate today.

The motion was adopted.

#### ADJOURNMENT.

On motion of Senator Clark the Senate, at 5:20 o'clock p. m., adjourned until tomorrow morning at 10 o'clock.

#### NINTH DAY.

Senate Chamber,  
Austin, Texas,

Thursday, September 3, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.

Prayer by Rev. R. P. Shuler of Austin.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Westbrook.

## BILLS AND RESOLUTIONS.

By Senator Westbrook:

Senate Concurrent Resolution No. 3:

Whereas, It is in the power of the creditors of the producers of the State of Texas to foreclose liens held by said creditors, and enforce the collection of all other debts; and,

Whereas, To enforce said foreclosure of liens or the collection of all other debts at this time while the present impending crisis exists and low price of cotton prevails, would force the producer to sell said cotton at a great sacrifice to meet his obligations, thereby enabling the cotton speculator to obtain possession of said cotton and reap the benefit of any warehouse legislation we may enact at this time, while the producer suffers,

Therefore, be it resolved by the Senate, the House of Representatives concurring. That the Governor be requested to submit for legislative enactment at this time, a bill to suspend the foreclosure of all liens and the collection of all other debts for a period of one hundred and twenty (120) days, to the end that the producers of the State of Texas may derive some benefit from any warehouse legislation that we might enact, as well as the cotton speculator.

The resolution was read and Senator Watson offered the following amendment:

Amend the resolution by adding before the word "Therefore" the following

"and whereas the present depleted condition of the State Treasury is a matter of some small concern to the general public, and whereas the State can be completely 'busted' and the real principle of anarchy established in Texas by the introduction of such resolutions as this,

Therefore, be it resolved, that the Governor of the State be requested to submit to this Legislature the question of passing laws that will require the State Treasurer to pay out of the general funds of the State first all of the outstanding obligations of the members of the Legislature and"—

WATSON,  
HUDSPETH.

Senator Westbrook moved to table the amendment.

Senator Watson moved, as a substitute, that the resolution and amendment be referred to the Committee on Asylums.

(Senator Cowell in the chair.)

Pending discussion Senator Brelsford offered the following substitute for the amendment and resolution:

Whereas, by the patriotic cooperation of the debtor and creditor classes of Texas, the farmer, the merchant, and banker and the professional man, in adjusting business conditions to the present temporary stringency, provision is, and speedily will be made for the honest liquidation of all debts and for the storing and safeguarding of the greatest crop of cotton and grain ever produced in this State,

Therefore, be it resolved, that Texas does not need and will not ask for any legislation to aid in the adjustment of its debts or credits.

Senator Wiley moved to table the substitute, the amendment and the resolution, which motion to table was adopted by the following vote:

Yeas—20.

Bailey of Harris.	Johnson.
Carter.	Lattimore.
Clark.	McGregor.
Collins.	Morrow.
Darwin.	Nugent.
Gibson.	Taylor.
Greer.	Terrell.
Hall.	Watson.
Harley.	Wiley.
Hudspeth.	Willacy.

Nays—9.

Astin.	Conner.
Bailey of DeWitt.	Cowell.
Brelsford.	Real.

Townsend.  
Warren.

Westbrook.

Present—Not Voting.

McNealus.

#### SIMPLE RESOLUTION.

By Senator Johnson:

Whereas, Hon. D. E. Decker, formerly an honored member of this body, is in the city,

Resolved, That he be invited to address the Senate and be granted the privilege of the Senate.

JOHNSON,  
WILLACY,  
HUDSPETH.

The resolution was read and adopted.  
(President Pro Tem. Warren in the chair.)

#### RESOLUTION SIGNED.

The Chair, President Pro Tem. Warren, gave notice of signing, and did sign, in the presence of the Senate, the following resolution:

S. C. R. No. 2, Requesting the Governor to submit certain subjects for legislation.

#### MESSAGE FROM THE GOVERNOR.

The Chair, Senator Warren, laid the following message before the Senate, the same having been previously presented to the Senate on this morning:

Governor's Office,

Austin, Texas, September 3, 1914.

To the Senate:

In order to comply with the constitutional requirement of the Governor to send his recess appointments to the Senate for confirmation, I requested the Secretary of State to furnish me with a list of such recess appointments as shown by the records of his office. By error the names of the members of the Board of Water Engineers were included in the list furnished me by the Secretary of State. By following this error, their names were transmitted to the Senate for confirmation. I desire now to withdraw their names from further consideration by the Senate at this time, for the reason that these gentlemen have already been confirmed by the Senate for the terms for which they were appointed under the law.

Attention has also been called to the fact that ex-Governor Joseph D. Sayers and W. J. Moran were confirmed as members of the Industrial Accident Board at the First Called Session of the Thirty-third Legislature. I was aware of this fact. The law creating the Industrial Accident Board does not require the Senate to confirm the members of said Board. Just before the close of the First Called Session of the Thirty-third Legislature, ex-Governor Sayers had consented to accept appointment on this Board, and so had Mr. Moran, and I included their names among other appointments sent to the Senate at that time. Under the terms of the law creating these offices, the act did not take effect until the first day of September, and these gentlemen were commissioned after that date, though they were confirmed before the law went into effect. Their names are sent to you at this time at the request of ex-Governor Sayers, who desires to have everything regular and in order. The Attorney General has also advised me verbally that these names should be sent to the Senate for confirmation, on account of their previous confirmation having taken place before the law under which they were appointed went into effect. This explanation is made in order that the Senate may fully understand the reasons for transmitting the names of ex-Governor Sayers and W. J. Moran at this time.

I notice a statement in the morning papers to the effect that I have had or will reach an understanding with the Democratic nominee for Governor concerning my appointees on the Board of Prison Commissioners. I want to say on this point that I have had no such agreement and do not expect to enter into one, and I resent with all the earnestness of my nature the suggestion that I would enter into a combination whereby I would agree to humiliate or dishonor either one of the splendid gentlemen whom I have appointed to places on the Board of Prison Commissioners.

Respectfully submitted,

O. B. COLQUITT,  
Governor of Texas.

Morning call concluded.

#### SENATE BILL NO. 1.

The Chair laid before the Senate, on second reading, Senate bill No. 1, known as the Wiley warehouse bill.

Senator Conner offered the following

amendment, which was read and adopted:

Amend the bill, page 6, lines 11, 12 and 13, by striking out all of Article 15 and inserting in lieu thereof: "The standards of weights and measures of this State shall be standards of weights and measures used under this act. It shall be the duty of the Commissioner to establish standards of classifications of cotton and the original of such standards shall be maintained subject to inspection in his office in the State Capitol. Duplicates of said classifications of cotton as well as standards of weights and measures shall be furnished to the managers of each warehouse as soon as may be done. The standards of classifications of cotton shall be the same as those established by the Department of Agriculture of the United States, but it shall not be necessary for the manager of any particular warehouse to receive such standards from the Commissioner before he may begin operation. It is only intended by this provision that such standards shall be ultimately furnished when the Commissioner is able to furnish the same. The warehouseman shall issue his receipt for each bale of cotton received in accordance with the provisions of this article and shall make and keep records as provided in this act."

Senator Bailey of DeWitt offered the following amendment, which was read and adopted:

Amend the bill by inserting in line 3, Section 4, page 10, and in line 11, Section 4, page 10, after the word "compress," the words "when used as a warehouse under the provision of this act."

Senator Carter offered the following amendment, which was read and adopted:

Amend bill, page 4, by adding after the word "jurisdiction" in line 10, the following: "in Travis county or in the county in which the warehouse is situated."

CARTER,  
HALL.

Senator McNealus offered the following amendment, which was read and adopted:

Amend the printed bill by adding after the word "charter," wherever it occurs in the bill, the words, "or permit," and restore the word "charter," wherever heretofore stricken out.

Senator Hall offered the following amendment, which was read and adopted:

Amend the bill, pages 8 and 9, Article 24, by striking out all of said Article 24 after the words "twenty dollars" on line 32, and adding in lieu thereof the following: "And for examining warehouses handling over 10,000 bales per annum, twenty-five dollars."

Senator Westbrook offered the following amendment, which was read and adopted:

Amend the bill by adding to Article 17, Section 2, page 7, following line 1, the following: "A warehouseman issuing a receipt for a bale of repacked cotton shall add the word 'repack' on the receipt. A warehouseman issuing a receipt for a plated bale of cotton shall add the word 'plated' on the receipt. A warehouseman issuing a receipt for a bale of mixed pack cotton shall add the words 'mixed pack' on the receipt."

Senator Westbrook offered the following amendment, which was read and adopted:

Amend the bill on page 4, Article 10, line 29, by striking out the word "al" and inserting in lieu thereof, the word "all."

Action recurred on the engrossment of the bill.

#### RECESS.

Senator Gibson, at 11:45 o'clock a. m., moved that the Senate recess until 3 o'clock today.

Senator Wiley moved, as a substitute, that the Senate recess until 2:30 o'clock today.

Action recurred on the longest time first and the motion to recess until 3 o'clock today was adopted.

#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.

#### IN EXECUTIVE SESSION.

The Chair, President Pro Tem. Warren, here announced that the hour, 3 o'clock p. m., had arrived, which time the Senate had previously designated as the hour for the executive session to consider the appointments sent to the Senate on yesterday. The Senate Chamber was ordered cleared of those not entitled to remain.

In executive session the following confirmations were made, as reported to the Journal Clerk by the Secretary of the Senate:

To be members of the Board of Prison Commissioners, Hon. W. O. Murray of Wilson county; Hon. Sidney J. Bass of Kaufman county; and Hon. W. O. Stamps of Upshur county.

#### IN THE SENATE.

The Senate was called to order by President Pro Tem. Warren at 6:15 o'clock.

#### ADJOURNMENT.

On motion of Senator Clark, the Senate at 6:20 o'clock p. m. adjourned until 10 o'clock tomorrow morning.

#### APPENDIX.

#### COMMITTEE REPORT.

Committee Room,  
Austin, Texas, September 3, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufacturers to whom was referred

S. B. No. 6, A bill to be entitled, "An Act to establish a cotton warehouse system in the State of Texas under the direction and control of the State; to provide for the issuance of warehouse receipts which shall state the weights and grade of cotton received and deposited in warehouses and describe the bale or bales in which it is contained; fixing the standard of the receipts issued against cotton deposited and held in the State and licensed warehouse; determining the responsibility of the State to deliver to the holder of the cotton described on the face thereof; to provide for the creation of the Cotton Warehouse Commission of Texas; to define the powers and duties of the Commission and to regulate the method by which its membership shall be constituted and the amount of compensation of members; empowering the said Commission to build, buy, lease, rent, and license and maintain and operate such warehouses; empowering the said Commission to devise and use a seal and to formulate an official form of receipt, and

to empower its warehousemen and licensees to issue receipts and surrender cotton described in receipts; defining the meaning of 'warehouse' under this act; authorizing the said Commission to employ persons, having the necessary qualifications to supervise, operate, and maintain warehouses and perform other duties proper to the carrying out of this act under the direction of the Commission; empowering the said Commission to fix rates of storage of cotton, to insure the cotton and to collect and disburse the insurance; providing for the issuance of duplicate receipts; to provide for the issuance, exchange, and cancellation of non-negotiable receipts; providing for monthly reports on all cotton stored and requiring an accounting for loose cotton; prescribing penalties for violation of this act; appropriating money for the carrying out of this act; and declaring an emergency."

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed, but be printed in the Journal.

COLLINS, Chairman.

(Following is the bill in full:)

S. B. No. 6.

By Astin.

#### A BILL

#### To be Entitled

An Act to establish a cotton warehouse system in the State of Texas under the direction and control of the State; to provide for the issuance of warehouse receipts which shall state the weights and grade of cotton received and deposited in warehouses and describe the bale or bales in which it is contained; fixing the standard of the receipts issued against cotton deposited and held in State and licensed warehouses; determining the responsibility of the State to deliver to the holder the cotton described on the face thereof; to provide for the creation of the Cotton Warehouse Commission of Texas; to define the powers and duties of the Commission and to regulate the method by which its membership shall be constituted and the amount of the compensation of members; empowering the said Commission to build, buy, lease, rent and license and maintain and operate such warehouses; empowering the said Commission to devise and use a seal and to formulate an official form of

receipt, and to empower its warehousemen and licensees to issue receipts and surrender cotton described in receipts; defining the meaning of "warehouse" under this act; authorizing the said Commission to employ persons, having the necessary qualifications to supervise, operate and maintain warehouses and perform other duties proper to the carrying out of this act under the direction of the Commissioner; empowering the said Commission to fix the rates of storage of cotton, to insure the cotton and to collect and disburse the insurance; providing for the issuance of duplicate receipts; to provide for the issuance exchange and cancellation of non-negotiable receipts; providing for monthly reports on all cotton stored and requiring an accounting for loose cotton; prescribing penalties for violation of this act; appropriating money for the carrying out of this act; and declaring an emergency.

Be it enacted by the Legislature of Texas:

Section 1. The purpose of this act is to establish, operate and maintain under the authority of the State a system of warehouses for the receipt, storage, safekeeping and delivery of cotton grown in Texas, and to cause to be issued, under the proper authority receipts for the cotton so offered, received and held.

Sec. 2. That for all cotton stored, or held in a State or licensed warehouse, under this act, original receipts, serially numbered for each identical bale of cotton received, shall be issued by and in the name of the State, or licensed warehouse receiving said cotton, and no receipt shall be issued except for cotton actually deposited, stored or held in the warehouse at the time of the issuance thereof. Each original receipt shall include and set forth the date and place of its issuance, the weight, grade, marks and bale number and condition of the cotton that has been received, stored and held, and state the rate of charges for storage, weighing, sampling, insurance and other charges, that may accrue on said cotton by reason of the services performed by the State or licensed warehouse, and shall set forth on its face, notice to the holder that, upon presentation, properly endorsed, and upon the payment of all accrued charges, there will be delivered to the person, or persons, or company or corporation presenting the receipt the identical cotton de-

scribed and set forth on the face of the receipt. The standard of grade used for descriptive purposes on the face of the receipt shall be in accordance with the official standard of the United States in so far as they apply, and where the cotton stored does not agree or can not be compared with the United States Government standard a notation in plain words shall be made on the face of the receipt to that effect and, in addition, the actual grade of the cotton must be stated thereon.

Sec. 3. For the purpose of carrying out the objects of this act there is hereby created a commission to be known as the Cotton Warehouse Commission of Texas: to be composed of three members to wit: the Commissioner of Agriculture ex-officio, the Commissioner of Banking and Insurance ex-officio, and one to be appointed by the Governor and to be designated the Warehouse Commissioner, and who shall be the chairman and the executive officer of the Commission and whose term of office shall be for two years, or until his successor shall be appointed and qualify. The said Commission shall meet immediately after the passage of this act and proceed to the discharge of its duties. Two members of said Commission shall constitute a quorum.

Sec. 4. The salary of the Warehouse Commissioner shall be \$4000 per annum and the ex-officio members of the Commission shall each receive \$1000 per annum for their services on the Commission. There shall also be paid to the members of the Commission, when acting as such, all necessary traveling expenses which salary and expenses shall be paid by warrant drawn by the State Comptroller on the State Treasurer, upon the order of the said Commission, and all salaries and expenditures of any sort authorized by the Commission shall be paid in the same form and manner. The Warehouse Commissioner shall give bond to the State in the sum of \$10,000 and shall make oath for the faithful performance of his duties.

Sec. 5. The Superintendent of Public Buildings and Grounds shall furnish sufficient room and office space in the Capitol for the proper conduct of the business of the said Commission.

Sec. 6. The said Commission is empowered to devise an appropriate seal for its official use; to formulate an official receipt and conforming to the requirements of Section 2, of this act, and



to empower its warehousemen and licensees to issue under its seal such receipts for cotton as are prescribed in this act and to surrender cotton deposited for storage upon presentation of the original receipts as herein provided.

Sec. 7. The said Commission is hereby empowered to build, buy, lease, rent or otherwise acquire and to license bonded warehouses that are organized or may hereafter be organized, and to maintain, operate, and supervise such warehouses for the conservation and storage of cotton, as in its wisdom or in the opinion of the majority of said Commission may be deemed necessary. The Commission, may, in its discretion, license a bonded warehouse and the bonded warehouse so licensed, and under the supervision of the Commission, shall receive and store cotton and issue receipts therefore under the provisions of this act.

Sec. 8. The word "warehouse" under the meaning of this act is construed to mean any building, built, bought, leased, rented or otherwise acquired, or licensed, by said Commission, and suitable for the proper storage, protection and safe-keeping of cotton and which is used or licensed by the Commission, for that purpose.

Sec. 9. The said Commission shall appoint or employ a secretary, who shall keep the books, records, and minutes of the Commission and perform such other duties as may be assigned him, and such other office assistants, stenographers, and warehousemen, graders, weighers, experts, and other employees as may be necessary to the administration of the business of the Commission. The warehousemen shall be in immediate charge of the warehouse, to which they are appointed and shall be empowered by the Commission to sign and certify and issue receipts furnished in blank by the Commission and conforming to the requirements of Section 2, of this act. The graders shall be experts of established knowledge and they shall be empowered to take from each bale of cotton a proper sample or samples, upon which sampling they shall fix the grade and certify the grade to the warehousemen; the weighers shall be men of experience and they shall certify the weight of the bale or bales to the warehousemen. The warehousemen, graders, and weighers shall be required by the

Commission to give bond in such sum as may be determined by the Commission to the State of Texas trustee for the faithful performance of the duties to which they are assigned.

Sec. 10. The Commission shall fix the rate for storage, weighing and such other service as is performed by the Commission and its employees or licensees, all of which charges shall be just and equitable and sufficient only for the maintenance of the warehouse system under this act, including all expenses for administration. The Commission shall make such proper provisions against loss or damage by the elements, to the cotton received for storage, as is justified by safety and economy. The Commission shall carry insurance sufficient in amount to protect the State and the owners of the cotton, which charge, together with storage and such other charges as may accrue on said cotton shall constitute a lien on and against said cotton, to be liquidated before the said cotton is released. In case of the destruction of, or damaged to, the cotton, or any cotton held in storage in a State or licensed warehouse where the insurance has been provided by the Commission for the benefit of the owner the Commission shall collect the insurance and recognize the holder of the receipt as the legal owner of the cotton and entitled to compensation therefor. The receipt shall state specifically on its face the amount for which the cotton described is insured. The Commission shall in its discretion, make provision for the issuance of duplicate receipt where proper proof is adduced showing beyond reasonable doubt that the original has been lost or destroyed, and shall require the holder to give bond in an amount sufficient to safeguard the Commission and the State of Texas.

Sec. 11. Any person or persons offering to store, or who may store cotton in a warehouse under the provisions of his act, shall state to the warehouseman, at the time of offering to store or storing said cotton, if there is a lien or liens upon said cotton, and if there is a lien or liens upon said cotton to give the names and addresses of such lien holders, in which case the warehouseman shall mark upon the receipt the words "non-negotiable." A non-negotiable receipt may be exchanged for a negotiable receipt by the holder thereof, surrendering the non-negotiable receipt

to the warehouseman adducing proper and satisfactory proof that said lien or liens have been in all things satisfied and discharged, in which case, the non-negotiable receipt shall be taken up and marked cancelled by the warehouseman.

Sec. 12. The Commission shall make public each month, on the first day of the month, the amount of cotton in storage in all the warehouses, State or licensed, under its control; and it shall be the duty of persons in charge of warehouses, State bonded or otherwise, and other places where cotton is weighed or stored for a fee, to render monthly to the Warehouse Commission a statement showing the total amount in pounds of loose cotton acquired from every source whatsoever during the preceding month. And State or licensed warehousemen shall report monthly, showing how and from what source such loose cotton was acquired, and the amount of money, service or other thing of value given therefor and likewise stating what disposition was made of all or any part thereof, and the amount of the proceeds, together with the amount remaining on hand. And all money derived from the sale of loose cotton in State and licensed warehouses shall be turned in to the State Treasury.

Sec. 13. Any person violating any provision of this act, is guilty of a felony and upon conviction shall be punished by confinement in the State penitentiary for a period of not less than two nor more than five years, or by a fine of not less than \$1000 nor more than \$5000, or by both such fine and imprisonment.

Sec. 14. The sum of two hundred and fifty thousand dollars or so much thereof, as may be necessary, is hereby appropriated out of any money in the State Treasury not otherwise appropriated, for the carrying out of the provisions of this act; and if such sum is not available out of money in the Treasury the Governor is hereby authorized to issue emergency warrants to meet the deficiency, in a sum not to exceed two hundred and fifty thousand dollars.

Sec. 15. It is hereby declared that a state of emergency and imperative public necessity exists; that the welfare of the State requires the immediate passage of this act; that the constitutional rule requiring bills to be read on three several days be and is hereby suspended; that this act take effect from and after its passage, and it is so enacted.

## TENTH DAY.

Senate Chamber,  
Austin, Texas,

Friday, September 4, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Clark.	Nugent.
Collins.	Real.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Westbrook.
Greer.	Wiley.
Hall.	Willacy.
Harley.	

Absent.

Hudspeth.	Watson.
Taylor.	

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Johnson.

## EXCUSED.

On account of important business:

Senator Taylor, for today and until Monday, on motion of Senator Westbrook.

Morning call concluded.

SENATE BILL NO. 5 ORDERED  
PRINTED.

Senator Wiley made the following motion:

"I move that S. B. No. 5 be printed in bill form."

The motion was read and adopted.

## MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, September 4, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

House bill No. 1, Emergency cotton warehouse bill.

Respectfully,  
W. R. LONG,  
Chief Clerk, House of Representatives.

#### MESSAGE FROM THE GOVERNOR.

The Chair laid before the Senate the following message from the Governor:

Governor's Office,  
State of Texas.

Austin, September 1, 1914.

To the Senate and House of Representatives:

In harmony with my proclamation convening the Second Extra Session of the Thirty-third Legislature, and as provided for by Section 40, Article 3, of the Constitution of Texas, I hereby submit the following additional subject for legislation, to wit:

An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling or operating a cotton seed oil mill, and of owning, controlling or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures and procedure for enforcing this act; prohibiting any interference with or restrictions of competition in the sale, handling, or marketing of cotton seed, giving all corporations engaged in the business of operating cotton seed oil mills that now own, control or operate public cotton gins nine months from the taking effect of this act to sell or otherwise dispose of their gin properties and interests; punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cotton seed oil mill business to be in any manner engaged in or in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punishments, and procedure for all corporations and persons violating this act.

Respectfully submitted,  
O. B. COLQUITT,  
Governor of Texas.

#### BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senator Carter:

S. B. No. 10, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling or operating a cotton seed oil mill, and of owning, controlling or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill, from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures, and procedure for enforcing this act; prohibiting any interference with or restrictions of competition in the sale, handling, or marketing of cotton seed; giving all corporations engaged in the business of operating cotton seed oil mills, that now own, control or operate public cotton gins nine months from the taking effect of this act to sell or otherwise dispose of their gin properties and interests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cotton seed oil mill business to be in any manner engaged in or in any manner interested therein in this State or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punishments, and procedure for all corporations and persons violating this act." Read first time and referred to Committee on Commerce and Manufactures.

#### HOUSE BILL NO. 1 REFERRED TO COMMITTEE.

Senator Willacy moved that the pending order of business, S. B. No. 1, be suspended and the Senate take up, out of its order, H. B. No. 1.

Senator Townsend moved, as a substitute, that the Senate recess until 2 o'clock and that H. B. No. 1 be referred to Committee on Commerce and Manufactures.

Pending discussion Senator Willacy, by consent, withdrew his motion.

The motion by Senator Townsend then became the original motion and the time for the Senate to recess was here changed to 3 o'clock today.

Senator McNeal moved, as a substitute, that the Senate adjourn until 10 o'clock Monday morning and that H. B. No. 1 be printed in bill form.

Senator Lattimore moved the previous question on the pending motions, which motion being duly seconded, was so ordered.

Action recurred on the substitute motion first and the same was lost by the following vote:

Yeas—3.

Astin.	McNealus.
Greer.	

Nays—25.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Real.
Collins.	Terrell.
Conner.	Townsend.
Cowell.	Warren.
Darwin.	Watson.
Gibson.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Johnson.	

Absent.

Hudspeth.

Absent—Excused.

Taylor.

Action recurred on the original motion and

Senator Lattimore called for a division of the question, asking that the matter of reference of the bill be acted on first.

Senator Wiley made the point of order that the hour could not be changed after the previous question had been ordered.

The Chair overruled the point of order, stating that the time had been changed before the previous question had been ordered.

Senator McNealus made the point of order that the call for a division of the question came too late, since the previous question had been ordered on the motion, and the Chair sustained the point of order.

The Chair then, as a privileged matter, referred, after its caption had been read, H. B. No. 1 to Committee on Commerce and Manufactures.

#### RECESS.

Action then recurred on the motion to recess until 3 o'clock today, and the motion prevailed.

#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.

#### SENATE BILL NO. 1.

Action recurred on S. B. No. 1, known as the Wiley cotton warehouse bill, which was the pending business, the question being on the engrossment.

Senator Wiley offered the following several amendments, separately, and which were adopted:

(1)

Amend the bill, page 7, line 7, by striking out the word "cotton" and inserting the words "holder of the warehouse receipt," and by striking out the word "owner," in line 10, page 7, and insert the word "holder."

(2)

Amend the bill, page 3, line 8, by striking out the word "complete."

(3)

Amend the bill, page 9, line 10, by adding a new article, to be numbered 26, and to read as follows:

"The Commissioner of Insurance and Banking shall appoint all examiners and clerks necessary to carry out the provision of this act. He shall pay the examiners such salary and expenses as is paid to the State Bank Examiners, and he shall pay the clerk a salary in like amount as is paid to clerk performing similar service in this department, which payment shall be made out of the general fund of the State."

Senator Bailey of DeWitt offered the following amendment:

Amend the bill by inserting after Section 4, line 16, page 10, the following:

"Section 5.

"Article 1. If there is any landlord's encumbrance or lien of any kind, express or implied, on said cotton at the time of its storage, under Title 80, Chapter 1, of the Revised Statutes of 1911 of Texas, the same shall remain in full force and effect until said cotton is removed from said warehouse.

"Article 2. Nothing contained in the provisions of this act shall in any way

repeal any law or laws, or any part thereof, in this State relating to liens, and shall be construed to be cumulative thereof."

Amend the bill further by making Section 5 Section 6.

Senator Conner offered the following amendment to the amendment:

Amend bill, page 10, by adding Section 5 by adding Article 3:

"Article 3. When said cotton is removed from said warehouse the manager shall immediately notify the landlord or person shown by his record to hold said lien."

The amendment to the amendment was read and lost.

Senator Nugent offered the following amendment to the amendment:

Amend the amendment by adding after the words "is removed from said warehouses" at the end of Article 1, the words "and for thirty days thereafter, provided that each and every person offering any cotton for storage in a public warehouse shall be required to sign a written statement to the warehouseman showing what liens, if any, there are upon such cotton, and each and every certificate shall show upon its face, or on the back thereof, whether or not there is a lien on such cotton, and if a lien, the amount thereof, and the character of such lien."

The amendment was adopted.

The amendment as amended was then adopted.

Senator Wiley offered the following amendment, which was read and adopted:

Amend the caption of the bill, page 1, as follows:

Strike out all of the caption after the word "warehouse" in line 10 down to and including the words "ginned cotton."

Insert the words "on permit" after the word "charter" in line 16, and insert the words "on permit" after the word "charter" in line 22.

Strike out all of line 22 after the word "charter" and strike out all of line 23 down to and including the word "cars."

Insert after the word "damage" in line 26, the following: "Providing for standard of classification, weights and measures, guaranteeing grades and weights, relating to landlords' liens."

The bill was read second time, and ordered engrossed.

Senator Wiley moved the constitutional rule requiring bills to be read on three several days be suspended and

the bill put on its third reading and final passage:

The motion was lost by the following vote:

Yeas—19.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	Morrow.
Carter.	Nugent.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Wiley.
Hall.	Willacy.
Harley.	

Nays—6.

Clark.	Johnson.
Collins.	Terrell.
Conner.	Westbrook.

Absent.

Astin.	McNealus.
Hudspeth.	Real.

Absent—Excused.

Taylor.

#### SENATE BILL NO. 9.

(By Unanimous Consent.)

The Chair laid before the Senate, on second reading,

S. B. No. 9, A bill to be entitled "An Act to amend Chapter 37 of the General Laws, enacted by the Thirty-third Legislature, First Called Session, July 21 to August 19, A. D. 1913, providing for the conduct of the business of a public warehouseman, describing what constitutes such warehouse and defining what shall be held to be public warehousemen; providing that all persons, firms, and corporations, or associations of persons shall obtain a permit of authority from the Commissioner of Insurance and Banking, and defining the requisites of said permit, providing a bond for the public warehousemen; and providing that such public warehousemen shall issue negotiable and non-negotiable receipts for property stored in such warehouses, and vesting the supervision of such public warehouses in the Commissioner of Insurance and Banking, and defining his duty with reference to such warehouses and directing said Commissioner to prescribe uniform public warehouse receipts for cotton; and requiring that any encumbrance on cotton stored in public warehouses shall be disclosed in the endorsement on the back of such negotiable receipt or certificate, and providing a

penalty for failure to truthfully disclose such facts; preventing public warehousemen by provisions inserted in their receipts, from limiting their liability under the law; providing for the negotiability of receipts issued; providing a penalty for public warehousemen who violate the provisions of this act; providing the conditions under which private warehousemen may conduct such business; and declaring an emergency."

(Senator Gibson in the chair.)

Senator Darwin offered the following several amendments, separately, which were read and adopted:

(1)

Amend the bill, page 3, line 7, by adding after the word "act" and before the word "and" the following:

"And the Commissioner of Insurance and Banking shall demand and receive a fee of \$5.00 for each and every charter issued, which sum shall be paid into the general fund of the State."

(2)

Amend the bill, Section 4, page 3, by adding at the end of the section the words: "Provided no warehouseman's bond shall exceed \$20,000."

(3)

Amend the bill, Section 6, page 4, by adding at the end of the section the following: "And the State Bank Examiners may be used under direction of the Commissioner of Insurance and Banking to do the examining."

(4)

Amend the bill, Section 6, page 4, line 18, by striking out the word "whether," and adding in lieu thereof the word "that."

(5)

Amend the bill, page 3, line 22, by inserting between the word "warehouseman" and the word "and" the following: "And will not wilfully or fraudulently fix any weight, grade or condition of any cotton stored in such warehouse, and that the identical bale of cotton stored will, upon proper demand, be returned to the holder of the receipt issued therefor, except in case of destruction by fire."

(6)

Amend the bill, page 4, line 19, by striking out all after the word "is" down

to and including the word "is" in line 29.

(7)

Amend the bill, page 3, line 29, by adding after the word "surety" the following: "And the bond shall be approved by the Commissioner of Insurance and Banking."

(8)

Amend the bill, Section 13, page 6, line 32, by striking out the figure "4" and inserting in lieu thereof the figure "6."

Senator Carter offered the following amendment:

Amend the bill page 3, by striking out all of line 16 and line 17 to and including the word "dollars" and insert in lieu thereof the following: "not less than \$1000 and not more than \$25,000 at the discretion of the Commissioner of Insurance and Banking."

The amendment was read and Senator Darwin moved to table same, which motion was lost.

The amendment was adopted.

Senator Bailey of DeWitt offered the following amendment:

Amend by striking out all of Section 16 on page 8, lines 7 to 12, and numbering the following sections to conform to the bill.

The amendment was read and adopted.

## SENATE BILL NO. 10 ORDERED PRINTED.

Senator Carter moved that S. B. No. 10 be printed in bill form.

The motion was adopted.

## ADJOURNMENT.

Senator Hall moved that the Senate adjourn until 10 o'clock tomorrow morning.

Senator Watson moved, as a substitute, that the Senate adjourn until 10 o'clock Monday morning.

Action recurred on the longest time first and the substitute motion was lost by the following vote:

Yeas—3.

Bailey of Harris. Watson.  
Collins.

Nays—19.

Bailey of DeWitt. Carter.  
Brelsford. Conner.

Cowell.  
Darwin.  
Gibson.  
Greer.  
Hall.  
Harley.  
Johnson.  
Lattimore.

McGregor.  
Nugent.  
Terrell.  
Townsend.  
Warren.  
Westbrook.  
Wiley.

Present—Not Voting.

Morrow.

Absent.

Astin.  
Clark.  
Hudspeth.

McNealus.  
Real.  
Willacy.

Absent—Excused.

Taylor.

The motion to adjourn until 10 o'clock tomorrow morning was adopted.

#### APPENDIX.

#### COMMITTEE REPORTS.

Committee Room,

Austin, Texas, September 4, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufactures, to whom was referred

H. B. No. 1, A bill to be entitled "An Act to preserve the credit of the citizens of the State of Texas generally and to prevent the sacrifice of a large part of the products of its industry; to assist in maintaining the solvency of the banks chartered by the State and to preserve intact the depositors' guaranty fund; to maintain the integrity of the actual value of the products of industry during the present period of financial distress, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency which may be issued by the national government, and generally to preserve the credit and industrial and financial integrity of the State; authorizing and requiring the Commissioner of Insurance and Banking to establish a State warehouse system for the storage of cotton in bales, wheat in elevators and other products of industry; prescribing the terms and conditions and rules and regulations under which such officer shall establish said

warehouse system, conferring certain authority upon him with reference thereto and conferring authority upon incorporated cities and towns to contribute to the cost and expense of such system in their respective locations and conferring authority upon private corporations to make contributions for such purpose; authorizing the Commissioner to appoint managers at each local warehouse, fixing the bond and defining the duties of such managers; prescribing the terms and conditions of warehouse receipts to be issued by the managers of warehouses established by the Commissioner of Insurance and Banking, and prescribing when and under what conditions such receipts may be issued and when duplicates may be issued; defining negotiable and non-negotiable receipts, prescribing when property placed in State warehouses shall be delivered upon the surrender of receipts and all terms and conditions and rules and regulations governing State warehouses established by the Commissioner of Insurance and Banking; defining the liability of the State as a public warehouseman. and permitting suit to be brought against it as such; prescribing the venue thereof; prescribing that the Commissioner of Insurance and Banking shall fix the charge for storing, authorizing the Commissioner of Insurance and Banking to have all products stored in State warehouses insured, defining what character of building may be used for warehouses and storage purposes; providing for the appointment of warehouse examiners by the Commissioner of Insurance and Banking, prescribing their duties, conferring authority upon the Commissioner of Insurance and Banking to have the State warehouse examined by State bank examiners; providing how the warehouseman's lien provided for in the measure may be satisfied; stating when and under what conditions the Commissioner of Insurance and Banking shall cease to receive cotton in storage under the act; defining the standard of weights and measures and classification to govern the Commissioner in the administration of this act; creating certain penal offenses to secure the enforcement of the act, and prescribing penalties therefor; making an appropriation to carry out the provisions of this act, and declaring an emergency."

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass, with the following amendment:

Amend the bill by adding after the word "prescribe," at the end of Section 7, the following: "The warehouse certificates provided for in this act shall be designated 'State Bonded Warehouse Receipts.'"

COLLINS, Chairman.

Committee Room,

Austin, Texas, September 3, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Finance Committee, to whom was referred

H. C. R. No. 4, Relating to the collection by Consular Agents of information concerning the manufacture of cotton goods,

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed.

WILLACY, Chairman.

Committee Room,

Austin, Texas, September 4, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Enrolled Bills have carefully examined and compared Senate Concurrent Resolution No. 2 and find it correctly enrolled, and have this day, at 4:30 o'clock p. m., presented same to the Governor for his approval.

GIBSON, Chairman.

#### ELEVENTH DAY.

Senate Chamber,

Austin, Texas,

(Saturday, September 5, 1914.)

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Bailey of DeWitt.	Harley.
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	Nugent.
Collins.	Terrell.
Conner.	Townsend.
Cowell.	Warren.
Darwin.	Watson.
Gibson.	Westbrook.
Greer.	Wiley.
Hall.	

S2—7

Absent.

Astin.  
Hudspeth.

McGregor.

Absent—Excused.

Clark.  
McNealus.  
Morrow.

Real.  
Taylor.  
Willacy.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Johnson.

#### EXCUSED.

On account of important business:

Senator Morrow, for today and indefinitely, on motion of Senator Harley.  
Senator Real, for today, on motion of Senator Johnson.

Senator Clark, for today, on motion of Senator Brelsford.

Senator Willacy, for today, on motion of Senator Cowell.

Senator McNealus, for today, on motion of Senator Carter.

Morning call concluded.

#### REFUSED TO TAKE UP SENATE BILL NO. 1.

S. B. No. 9 being pending business, Senator Wiley asked unanimous consent to take up S. B. No. 1, on third reading.

There was objection.

Senator Wiley moved to suspend the pending order of business and take up, out of its order, S. B. No. 1.

The motion was lost by the following vote (a two-thirds vote being necessary):

Yeas—13.

Bailey of DeWitt.	Hall.
Bailey of Harris.	Harley.
Brelsford.	McGregor.
Carter.	Nugent.
Cowell.	Townsend.
Darwin.	Wiley.
Greer.	

Nays—9.

Collins.	Terrell.
Conner.	Warren.
Gibson.	Watson.
Johnson.	Westbrook.
Lattimore.	

Absent.

Astin. Hudspeth.



Absent—Excused.

Clark.  
McNealus.  
Morrow.

Real.  
Taylor.  
Willacy.

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, September 5, 1914.  
Hon. Robt. L. Warren, President Pro  
Tem. of the Senate.

Sir: I am directed by the House to  
inform the Senate that the House has  
passed the following resolution:

H. C. R. No. 7, Relating to contra-  
band of war, and urging that raw cotton  
be held free from contraband declara-  
tions.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

#### HOUSE CONCURRENT RESOLUTION NO. 7.

(By Unanimous Consent.)

The Chair laid before the Senate H.  
C. R. No. 7, Relating to contraband of  
war, and urging that raw cotton be held  
free from contraband declarations.

The resolution was read and referred  
to Committee on Commerce and Manu-  
factures.

#### SENATE BILL NO. 9.

Action recurred on the pending busi-  
ness, S. B. No. 9, the question being on  
the engrossment, and

Senator Bailey of DeWitt offered the  
following amendment, which was read  
and adopted:

Amend the bill on page 8, after line  
6, by inserting the following:

"Sec. 16. If there is any landlord's  
encumbrance or lien of any kind, express  
or implied, on said cotton at the time  
of its storage, under Title 80, Chapter  
1, of the Revised Civil Statutes of 1911  
of Texas, the same shall remain in full  
force and effect until said cotton is re-  
moved from said premises and for thirty  
days thereafter; provided, that each and  
every person offering any cotton for stor-  
age in a public warehouse shall be re-  
quired to sign a written statement to  
the warehouseman, showing what liens,  
if any, there are upon such cotton, and  
each and every certificate shall show  
upon its face, or on the back thereof,

whether or not there is a lien on such  
cotton, and if a lien, the amount thereof,  
and the character of such lien; and, pro-  
vided, further, that nothing contained in  
the provisions of this act shall in any  
way repeal any law or laws, or any part  
thereof, in this State relating to liens,  
but shall be construed to be cumulative  
thereof."

BAILEY of DeWitt,  
NUGENT.

Senator Watson offered the following  
amendment:

Amend Senate bill No. 9 by striking  
out all after the enacting clause, and  
insert in lieu thereof the following:

Section 1. It is declared that this  
act is an emergency measure, made nec-  
essary by the condition brought about  
by the wars on the continent of Eu-  
rope.

The purpose of this act is to preserve  
the credit of the citizens generally of the  
State; prevent the sacrifice of a large  
part of the products of its industry now  
impending and due to the calamities  
and exigencies of war; to assist in main-  
taining the solvency of the banks char-  
tered by the State of Texas, and pre-  
serve intact the depositors' guaranty  
fund; to maintain the integrity of the  
actual values of the products of in-  
dustry during the present period of  
financial disturbance to the end that  
taxes may be collected and taxable val-  
ues maintained; to furnish a certain,  
safe, authoritative and liquid security, to  
enable the people of the State generally  
to obtain their ratable and proper distri-  
bution of currency issued or authorized  
to be issued by the national govern-  
ment, or other relief issues of money or  
currency made by the national govern-  
ment or authorized to be made by it;  
and generally to preserve the credit and  
industrial and financial integrity of the  
State.

Sec. 2. This act shall be administered  
by the Commissioner of Insurance and  
Banking. To aid him in his work he  
is empowered to appoint a chief clerk  
of the warehouse division of his depart-  
ment, who shall perform the duties usu-  
ally incident to that character of posi-  
tion and such other duties as may be  
assigned him by the Commissioner.  
Such chief clerk shall be paid the sum  
of two hundred dollars (\$200) per  
month for the time that he is em-  
ployed by said Commissioner. The Com-  
missioner of Insurance and Banking  
shall also have authority to employ such  
clerks, stenographers, experts, mana-

gers, examiners and such other help as may be necessary in carrying out the provisions of this measure. All those employed by the Commissioner for any purpose shall receive such salary and compensation as may be fixed by him, except as herein otherwise provided, and, in addition thereto, shall, when traveling on official business receive their actual necessary traveling expenses.

Sec. 3. It shall be the duty of the State banks chartered under the law of this State to render the Commissioner such reasonable assistance as he may request in putting into effect, and in administering this act.

Sec. 4. As soon as this act goes into effect the Commissioner acting as trustee for the State shall establish by renting or leasing in each town or city in this State, whether incorporated or unincorporated, where the demand therefor is reasonably sufficient to justify the outlay, a State warehouse for the storage of cotton in the bale, and shall store the same and issue receipts therefor in the manner herein provided.

Before establishing any warehouse hereunder in any incorporated city or town, the Commissioner may, in his discretion, require such city or town to agree to pay and to pay all or any part of the cost of establishing and operating such warehouse; and authority is hereby conferred upon all incorporated cities and towns and villages and any county of this State to appropriate and use as much of their general funds as may be necessary for such purpose. The Commissioner may also, in his discretion, before establishing any warehouse hereunder at any place require the citizens of such place, represented by some responsible body or committee, to agree to pay and to pay all or any part of the cost of establishing and operating such warehouse, and authority is hereby conferred upon all private corporations, chartered under the laws of the State of Texas, to contribute so much of their funds as may be necessary for such purpose, in aiding the citizens of any particular place to obtain in the manner suggested the establishment and maintenance of a warehouse under this act.

Sec. 5. Each warehouse shall be in charge of a manager to be appointed by the Commissioner, who shall be competent to keep the books required to be kept and to grade and classify cotton. The manager shall give bond payable to the State at Austin, Texas, in the sum of not less than two thousand five hundred (\$2500) dollars and not more than

ten thousand (\$10,000) dollars to be fixed by the Commissioner of Insurance and Banking, graduated according to the capacity of the warehouse or warehouses in charge of said manager. There shall be but one manager in each town, city or village, regardless of the fact that the Commissioner may establish any number of warehouses in each such town, city or village, provided that in appointing said managers the Commissioner of Banking and Insurance shall give preference to persons recommended by the local warehouse association if said persons are found competent to perform such duties. The bond of the manager shall be conditioned for the faithful and competent discharge of his duties under this act, and shall be in form drawn by the Attorney General. The manager of warehouses in each such town, city or village shall receive such salary as may be fixed by the Commissioner and shall employ such help as may be necessary in the discretion of the Commissioner.

Each manager shall have a certificate signed by the Commissioner of Insurance and Banking, showing his appointment as manager, which he shall keep displayed at his office at the warehouse.

Sec. 6. Warehouses established under this act shall be conducted under rules fixed by the Commissioner of Insurance and Banking in order to effectively carry out its provisions, and it shall be the duty of the Commissioner, as soon as may be after organizing this division of his department, to promulgate rules and regulations and forms by which the provision of this law may be carried out.

Sec. 7. Each warehouse receipt issued hereunder shall bear the date of issuance and shall state upon its face the name and number of the warehouse and its location, the description, quantity, number and marks of the cotton there stored, and shall state the class and weight of same, and the date on which it was originally received in the warehouse, and that it is deliverable upon the return of the receipt properly endorsed by the person to whose order it was issued and upon payment of all charges for storage and insurance, which charges shall be stated on the face of the receipt to secure all of which the State shall have a warehouseman's lien.

All such receipts shall be numbered consecutively in the order of their issuance and shall state whether the cotton therein described is exposed to the weather or under shelter. A correct record of such receipts shall be kept in a well bound book, which shall be at all

reasonable hours open to examination by any interested person.

No two receipts bearing the same number shall be issued from the same warehouse during the same year, nor shall any duplicate receipts be issued, except in the case of a lost or destroyed receipt, in which case a new receipt shall bear the same date and number as the original and shall be plainly marked on its face "duplicate." A receipt in which it is stated that the goods will be delivered to the recipient or to any other specified person is a non-negotiable receipt. A non-negotiable receipt shall have plainly placed upon its face by the manager issuing it "non-negotiable" or "not negotiable." A receipt in which it is stated that the goods will be delivered to the bearer or to the order of any person named in such receipt is a negotiable receipt.

In addition to other provisions each receipt shall have a blank form on the back thereof to be filled in and signed by the owner of the cotton, showing whether such cotton is free from encumbrance or liens of any kind. If there is any encumbrance or liens of any kind on said cotton at the time of its storage the nature and amount of the same shall be clearly set out, and it is made the duty of the manager issuing the receipt to have said blank filled in and signed by the owner of the cotton before issuing a negotiable receipt for same; provided, if there is no encumbrance or lien, that fact shall be shown in the statement; provided, however, such statement may not be made if a non-negotiable receipt is desired.

If the person holding a non-negotiable receipt shall desire to obtain a negotiable receipt in lieu thereof he shall return said non-negotiable receipt to the warehouse issuing the same, and thereupon shall comply in every respect with the provisions of this act relating to negotiable receipts, upon compliance with which a negotiable receipt shall be issued to him in lieu of said non-negotiable receipt and said non-negotiable receipt shall thereupon be canceled and the word "canceled" plainly marked or stamped in ink across the face thereof.

No warehouse receipt shall be issued except on the actual previous delivery of the goods in the warehouse or on the premises and under the control of the manager thereof.

A duplicate shall not be issued until the person applying therefor gives a bond equal to the value of the goods for which the same is issued, which bond

shall be given under such rules and regulations as the Commissioner may prescribe.

Sec. 8. Upon the presentation and return to the warehouse of any public warehouse receipt issued by its manager and properly endorsed, and the tender of all proper warehouse charges upon the property represented by it, such property shall be delivered immediately to the holder of such receipt, but the manager of such warehouse who shall issue a receipt for cotton shall not, under any circumstances or upon any order or guaranty, deliver the property upon which receipts have been issued until such receipts have been delivered and canceled, except in case of lost receipts; and upon any default in strict compliance with the terms of this article the manager shall be held liable not only to the State on his bond but to the lawful holder of the receipt for the full value of the property therein described; and shall further be liable to the special penalty herein provided.

Upon delivery of the goods in a warehouse upon any receipt such receipt shall be plainly marked or stamped in ink across the face thereof with the word "canceled," together with the name of the manager canceling the same, and shall thereafter be void and shall not again be put into circulation, but shall be filed for further inspection.

Sec. 9. The liability of the State shall be that of a public warehouseman and suits may be brought against the State for any liability as such, either at Austin, in Travis county, Texas, or in the county in which is located the warehouse where the cause of action accrued; provided, however, that the weights, classes and grades of cotton stored in warehouses under this act are guaranteed by the State only in favor of those who may loan money on warehouse receipts issued hereunder as collateral, or those who hold evidence of debt originally secured by such warehouse receipts as collateral. And provided further that the State shall not be responsible for such fluctuations in weight as represents ordinary climatic conditions.

Service in all suits may be had upon the Commissioner of Insurance and Banking or upon the local manager of the warehouse at which the cause of action arose.

But in all instances before suit may be brought and maintained a statement of the claims, properly sworn to, giving the amount thereof, and the manner in which it arose, shall be delivered in per-

son or by mail to the Commissioner of Insurance and Banking within ninety days after the accrual of the cause of action, or such notice may be given by delivering a copy of the same to the local manager of the warehouse at which the cause of action arose. No personal liability shall attach to the Commissioner of Insurance and Banking for any action done by him or by his managers under the terms of this act.

Sec. 10. A negotiable receipt issued against cotton stored in a warehouse under this act shall be negotiable and transferable by endorsement in blank or by special endorsement and delivery in the same manner and to the same extent as bills of exchange and promissory notes now are, without any other formality; and the transferee or holder of such warehouse receipt shall be considered and held as an actual and exclusive owner to all intents and purposes of the property therein described, subject only to the lien and privilege of the warehouse for storage, insurance and other warehouse charges; provided, however, that all such warehouse receipts that shall have the words non-negotiable plainly marked or stamped on the face thereof shall be exempted from the provisions of this section.

The manager of each warehouse shall keep a carbon copy of each receipt, whether negotiable or non-negotiable, issued by him and which shall have printed in large letters across the face of the same "Carbon Copy." Such carbon copy shall be of no value for any purpose, except as part of the records of the office of the manager issuing the same.

Sec. 11. All charges for storage shall be fixed by the Commissioner and need not be necessarily the same at all places, but shall be fixed by him, taking into consideration the amount of cotton, local conditions and necessities, the object in view being to collect a sufficient amount at each local warehouse to pay for its operation, but at the same time make the rates reasonable and just. The Commissioner shall in his rules and regulations prescribe when insurance, warehouse charges and other charges shall be due and payable.

Sec. 12. All cotton placed in warehouses shall be insured by the Commissioner, either by individual policies or by blanket policies covering any and all cotton in any State warehouse, the method and manner of securing the insurance to be left to the judgment, dis-

cretion and experience of the Commissioner. In the event of any loss or damage the Commissioner shall collect the insurance due and pay the same over ratably and equitably to those lawfully entitled to the same. All insurance policies shall be issued in the name of the Commissioner of Insurance and Banking.

All cotton placed in a warehouse must be insured and the premiums shall be collected from the owner of the cotton by the Commissioner and the State shall have the warehouseman's lien for the insurance on the cotton, the same as it has for storage charges.

Sec. 13. Cotton shall not be stored in wooden buildings unless such buildings are equipped with fire protection to be approved by the Commissioner, and none shall be stored in anything but waterproof buildings, so that the entire bale shall be protected from the weather. The Commissioner shall equip all places of storage with such practical fire protection as the location and necessities of the warehouse will permit and in all instances every practical safeguard shall be taken, and in the rules and regulations to be formed by the Commissioner governing his managers he shall set forth the general details of the system of fire protection and shall enforce the same; to this end he shall have the right to call to his assistance all the experts, engineers and employes of the State Fire Insurance Commission.

Sec. 14. All warehouse receipt books shall be designated by the Commissioner and printed under his direction and be furnished each warehouse by him, each receipt being numbered and accounted for by the manager under such rules as the Commissioner may provide. Each receipt shall contain the lithographed or engraved signature of the Commissioner of Insurance and Banking and the lithographed or engraved seal of his department, but the same shall be signed with pen and ink by the local manager.

Sec. 15. All local managers shall make reports as required to the Commissioner of Insurance and Banking, showing the amount, grade, character, classification and weight of cotton received and delivered by him and from whom received and to whom delivered; said reports to be in such form as may be designated by the Commissioner of Insurance and Banking. Such manager shall also make such other reports as

may be required by the Commissioner. All reports required by the Commissioner shall contain such other information as may be requested by the Commissioner.

Sec. 16. The Commissioner of Insurance and Banking shall appoint a sufficient number of warehouse examiners to visit each local warehouse from time to time and carefully examine the records kept by the managers and the contents of said warehouses, and make such reports to the Commissioner of Insurance and Banking relative thereto and relative to all other matters that may be required and specified by the Commissioner concerning such warehouses. Such examiners shall visit each warehouse at least twice during each cotton season and at such other times as may be designated by the Commissioner of Insurance and Banking.

Sec. 17. Every warehouse examiner appointed by the Commissioner shall be a competent cotton classifier, and before entering upon the duties of his office shall take and file in the office of the Commissioner the constitutional oath, and in addition thereto shall take an oath to make fair and impartial examinations and that he will not accept as presents or emoluments any pay, directly or indirectly, for the discharge of any act in the line of his duty other than the remuneration accorded and fixed by law; and that he will not reveal the condition of any warehouse examined by him or of any storage account examined by him or give any information secured in the course of examination to any one except to the Governor, the Commissioner and the Attorney General; and except when required to do so in the enforcement of the law upon the order of a district or county judge.

No such examiner shall be appointed who is at the time an officer or stockholder in any warehouse company or warehouse corporation or a member of any firm or an officer of any corporation engaged in the purchase or sale of cotton or cotton products.

Each such examiner shall enter into a bond payable to the State in the sum of ten thousand dollars (\$10,000) to be approved by the Commissioner and deposited in this office, conditioned that he will faithfully perform his duties as such examiner.

As full compensation for the performance of the duties of examiner each person so appointed shall be entitled to receive a salary of one hundred and fifty dollars (\$150) per month during the time he is employed as such examiner,

and all necessary traveling expenses. An itemized account of such expenses shall be rendered monthly under oath by each examiner and shall be approved by the Commissioner. Provided, however, the Commissioner may in his discretion cause State Bank Examiners to perform the duties of warehouse examiners in addition to their duties as State Bank Examiners, where such action will be economical, desirable and practical; in such instance, however, it will not be necessary for the State Bank Examiner to make any additional bond or take any additional oath. The expense of any examination by a State Bank Examiner shall be borne by the funds appropriated for the enforcement of this law.

Sec. 18. The Commissioner shall have authority and it shall be his duty if he finds it necessary in addition to local warehouses to lease and maintain warehouses at points of concentration.

Sec. 19. The warehouseman's lien herein provided for when same has become due may be satisfied as follows:

The manager shall give a written notice to the person on whose account the goods are held, and to any other person known by the manager to claim an interest in the goods. Such notice shall be given by delivery in person or by registered letter addressed to the last known place of business or abode of the person to be notified. The notice shall contain:

(a) An itemized statement of the manager's claim, showing the sum due at the time of the notice and the date or dates when it became due.

(b) A brief description of the goods against which the lien exists.

(c) A demand that the amount of the claim as stated in the notice, and of such further claim as shall accrue shall be paid on or before a day mentioned, not less than ten days from the delivery of the notice if it is personally delivered, or from the time when the notice should reach its destination, according to the due course of post, if the notice is sent by mail, and

(d) A statement that unless the claim is paid within the time specified the goods will be advertised for sale and sold by auction at a specified time and place.

In accordance with the terms of a notice so given, a sale of the goods by auction may be had to satisfy any valid claim of the manager for which he has a lien on the goods. The sale shall be had in the place where the lien is acquired, or, if such place is manifestly un-

suitable for the purpose, at the nearest suitable place. After the time for the payment of the claim specified in the notice to the depositor has elapsed, an advertisement of the sale, describing the goods to be sold, and stating the name of the owner or person on whose account the goods are held, and the time and place of the sale shall be published in the place where such sale is to be held. The sale shall not be held less than fifteen days from the time of the first publication. If there is no newspaper published in such place, the advertisement shall be posted at least ten days before such sale in not less than six conspicuous places therein.

From the proceeds of such sale the manager shall satisfy the lien, including the reasonable charges of notice, advertisement and sale; and balance, if any, of such proceeds shall be held by the manager, and delivered on demand to the person to whom he would have been bound to deliver or justified in delivering the goods.

At any time before the goods are so sold any person claiming a right of property or possession therein may pay the warehouse manager the amount necessary to satisfy his lien and to pay the reasonable expenses and liabilities incurred in serving notices and advertising and preparing for the sale up to the time of such payment. The manager shall deliver the goods to the person making such payment if he is a person entitled under the provisions of this act to the possession of the goods on payment of the charges thereon. Otherwise the manager shall retain possession of the goods according to the terms of the original contract of deposit.

Sec. 20. This act being intended as an emergency measure it is the intent that it shall remain in force and effect only so long as the emergency, which caused its passage shall continue, and the Commissioner is directed to cease receiving cotton under this act not later than the 31st day of August, 1915; and he is expressly authorized to cease the receipt of cotton at any place or places whenever the demands of the public do not justify the further operation of a warehouse at such place or places as emergency agencies; or whenever general financial conditions and trade demands render it practicable for the service sought to be performed under this act to be taken over and discharged by and under the direction of any bonded warehouse system which may be created

and established before the expiration of this act on August 31, 1915.

Sec. 21. No action shall be brought against the Commissioner or his local manager for any lawful action taken under this act, but all such suits shall be brought against the State; and the same shall be defended by the Attorney General, but the Commissioner may, if necessary, employ counsel in any particular suit.

Sec. 22. All charges, funds, and dues collected under this act shall constitute a special fund to be used only in the administration of this law and paying obligations hereunder until further action be taken by the Legislature; and all such funds are hereby appropriated for such purposes.

There is hereby appropriated out of any funds in the Treasury not otherwise appropriated for the year ending August 31, 1915, the sum of one hundred thousand dollars or so much thereof as may be necessary for administering the affairs of this division of the Department of Insurance and Banking.

Sec. 23. In the event the Commissioner should have space in any particular warehouse in excess of its use for cotton he may store and issue receipts for other non-perishable farm products, but the general purpose of this law is the storage of cotton, and the storage of all other farm products shall be incidental and optionary with the Commissioner as to each particular warehouse.

Sec. 24. The standards of weights and measures of this State shall be the standard of weights and measures used under this act. It shall be the duty of the Commissioner to establish standards of classification for cotton and the originals of such standards shall be maintained subject to inspection in his office in the State Capitol. Duplicates of said classification of cotton, as well as standards of weights and measures, shall be furnished to the managers of each warehouse as soon as may be done. The standards of classification of cotton shall be the same as those established by the Department of Agriculture of the United States; but it shall not be necessary for the manager of any particular warehouse to receive such standards from the Commissioner before he may begin operation; it is only intended by this provision that such standards shall be ultimately furnished when the Commissioner is able to furnish the same. All products stored in a State warehouse shall be weighed, graded and classed by the manager thereof, and it

shall not be necessary for the same to be weighed by a public weigher for any purpose. Provided, said tags shall be of pasteboard, such as are ordinarily used in cotton warehouses.

Sec. 25. The manager of any warehouse operating hereunder or any employee or servant at a warehouse who issues or aids in issuing a receipt, knowing that the goods for which said receipt is issued have not been actually received in the warehouse or are not under the control of the manager thereof, shall be guilty of a felony and upon conviction shall be punished for each offense by confinement in the State penitentiary for a period not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 26. Any manager of a warehouse or any employee or servant at a warehouse who fraudulently issues or aids in fraudulently issuing a receipt for goods, knowing that the same contains any false statement, other than that defined by Section 26 hereof, shall be guilty of a felony and upon conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding two years or by fine not exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 27. Any manager of or any employee or servant at a warehouse under this act who issues or aids in issuing a duplicate or additional negotiable receipt for goods, knowing that a former negotiable receipt for the same, or any part thereof is outstanding and uncanceled, without plainly placing on the face thereof the word "duplicate," as provided in the case of a lost or destroyed receipt, shall be guilty of a felony and on conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 28. Any manager of a warehouse or servant or employee at a warehouse who delivers goods out of the warehouse, knowing that a negotiable receipt the negotiation of which would transfer the right to the possession of the goods is outstanding and uncanceled, without obtaining possession of such receipt at or by the time of its delivery, except and upon conviction shall be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding one year or by fine not

exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 29. Any person who deposits goods in a warehouse under this act, to which he has no title or upon which there is a lien or mortgage and who takes for such goods a negotiable receipt which he afterwards negotiates for value with intent to deceive, and without disclosing his want of title or the existence of a lien or mortgage, shall be guilty of a felony, and upon conviction be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 30. Any person who wilfully and knowingly violates any of the provisions of this act for which a penalty is not otherwise provided, or who wilfully does any act or thing prohibited by this act for which a penalty is not otherwise provided, or who wilfully and knowingly does any act or thing prohibited by this act for which a penalty is not otherwise provided for, or who wilfully or knowingly fails to do anything herein provided for, for which a penalty is not otherwise provided, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding one thousand dollars or by confinement in the county jail for a term not exceeding one year, or by both such fine and imprisonment.

Sec. 31. Only cotton or other products grown in the State of Texas shall be stored in warehouses operating under this act.

Sec. 32. It is further provided that the Commissioner may lease wheat and grain elevators, and store and issue receipts for wheat and grain in the same manner as herein provided for cotton, and to the same extent, should it become necessary in furtherance of the general public purpose of this act; and that in so doing all the provisions of this measure with reference to cotton shall apply, so far as practicable.

Sec. 33. If any particular section of this act shall be held unconstitutional, such holding shall not invalidate any portion thereof.

Sec. 34. The importance of the legislation proposed in this act and the necessity of providing immediately sufficient warehouses to store the cotton products of this State, in view of the financial disturbances due to the European wars, creates an emergency and an imperative public necessity requiring

that the constitutional rule providing bills shall be read on three several days in each house shall be suspended, and the said rule is so suspended and this act shall take effect from and after its passage, and it is so enacted.

Pending the reading of the above amendment, Senator Carter made the point of order that the amendment was not germane to the bill.

The Chair overruled the point of order.

Senator Darwin moved to table the amendment, and on that motion moved the previous question on the amendment.

The motion for the previous question being duly seconded was so ordered.

Action recurred on the motion to table the amendment, and the same was lost by the following vote:

## Yeas—10.

Bailey of DeWitt.	Hall.
Carter.	Harley.
Cowell.	Lattimore.
Darwin.	Nugent.
Greer.	Wiley.

## Nays—13.

Bailey of Harris.	McNealus.
Brelsford.	Terrell.
Collins.	Townsend.
Conner.	Warren.
Gibson.	Watson.
Hudspeth.	Westbrook.
Johnson.	

Absent.

Astin.

Absent—Excused.

Clark.	Real.
McGregor.	Taylor.
Morrow.	Willacy.

Senator Lattimore made the point of order that the amendment was not germane to the purposes of the bill that was sought to be amended, citing constitutional provisions.

Senator Townsend, at 11:35 o'clock, moved that the Senate recess until 2 o'clock today.

Senator Darwin moved, as a substitute, that the Senate adjourn until 10 o'clock Monday morning.

Action recurred on the longest time first, and the substitute was lost by the following vote:

## Yeas—6.

Bailey of DeWitt.	Hall.
Bailey of Harris.	Harley.
Darwin.	Wiley.

## Nays—17.

Brelsford.	Johnson.
Carter.	Lattimore.
Collins.	McGregor.
Conner.	Terrell.
Cowell.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hudspeth.	Westbrook.
Nugent.	

Absent.

Astin.

Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

Action recurred on the motion to recess until 2 o'clock today, and the motion was lost by the following vote:

## Yeas—3.

Conner.	Townsend.
Lattimore.	

## Nays—20.

Bailey of DeWitt.	Harley.
Bailey of Harris.	Hudspeth.
Brelsford.	Johnson.
Carter.	McGregor.
Collins.	Nugent.
Cowell.	Terrell.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.

Absent.

Astin.

Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

Action recurred on the pending bill, Senate bill No. 9, the question being on the point of order by Senator Lattimore, and the Chair overruled the same.

Action then recurred on the amendment by Senator Watson and the same was adopted by the following vote:

## Yeas—12.

Brelsford.	McGregor.
Collins.	Terrell.
Conner.	Townsend.
Harley.	Warren.
Hudspeth.	Watson.
Johnson.	Westbrook.

## Nays—8.

Cowell.

Darwin.



Gibson.	Lattimore.
Greer.	Nugent.
Hall.	Wiley.

Present—Not Voting.

Bailey of DeWitt.	Carter.
Bailey of Harris.	

Absent.

Astin.

Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

Senator Darwin moved that further consideration of the bill be postponed until Tuesday of next week.

On motion of Senator Watson, the motion to postpone was tabled.

Pending discussion, Senator Lattimore moved that the Senate recess until 3 o'clock today, which motion was lost by the following vote:

Yeas—6.

Conner.	Lattimore.
Gibson.	Nugent.
Hudspeth.	Terrell.

Nays—17.

Bailey of DeWitt.	Harley.
Bailey of Harris.	Johnson.
Brelsford.	McGregor.
Carter.	Townsend.
Collins.	Warren.
Cowell.	Watson.
Darwin.	Westbrook.
Greer.	Wiley.
Hall.	

Absent.

Astin.

Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

Action recurred on the engrossment of Senate bill No. 9, and Senator Westbrook offered the following amendment:

Amend the bill by adding after Section 7, Sections 7a, 7b and 7c, as follows:

"Section 7a. When any negotiable cotton warehouse receipt is presented for a loan to any person, firm or corporation, the parties to the contract may agree to and stipulate for any rate of interest not exceeding ten (10) per cent per annum on the amount of the contract.

"Section 7b. All contracts whatsoever which may in any way, directly or indirectly, violate the preceding article by stipulating for a greater rate of interest than ten (10) per cent per annum shall be deemed usurious interest and void, and any person, firm or corporation lending money on any said negotiable cotton warehouse receipt at a rate of interest in excess of ten (10) per cent per annum shall forfeit both the principal and interest on said loan, and in addition thereto be punished, if an individual, by serving a term in the county jail of the county where said loan is made of not less than thirty or not more than ninety days; and if a firm or corporation, the agent or officer of same so offending shall be punished as provided herein for an individual.

"Section 7c. It is hereby declared that should the two preceding sections or either of said sections be declared by the courts unconstitutional, it will in no wise affect the validity of any other section or part of this bill."

(Senator Hudspeth in the chair.)

The amendment was read, and

Senator Cowell made the point of order that the amendment was not germane to the bill, and was not included in the Governor's call.

The Chair overruled the point of order.

Action recurred on the amendment, and the same was adopted by the following vote:

Yeas—12.

Collins.	Lattimore.
Conner.	McGregor.
Cowell.	Terrell.
Darwin.	Townsend.
Hall.	Westbrook.
Hudspeth.	Wiley.

Nays—10.

Bailey of DeWitt.	Harley.
Brelsford.	Johnson.
Carter.	Nugent.
Gibson.	Warren.
Greer.	Watson.

Absent.

Astin.

Bailey of Harris.

Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

RECESS.

On motion of Senator Townsend, the

Senate, at 12:25 o'clock p. m., recessed until 3 o'clock p. m. today.

### AFTER RECESS.

The Senate was called to order by President Pro Tem. Warren.

### HOUSE BILL NO. 1.

S. B. No. 9, being pending business, Senator Townsend asked for unanimous consent to suspend the pending business for the purpose of taking up H. B. No. 1.

There was objection.

Senator Townsend moved to suspend the pending business, S. B. No. 9, and the Senate take up, out of its order, H. B. No. 1.

Senator Lattimore called for the construction of Rule 22a, which provides: "That when a House bill containing the same subject matter of a Senate bill becomes regularly on the calendar that the House bill shall be laid before the Senate in lieu of the Senate bill."

The Chair sustained the rule and laid before the Senate on second reading, in lieu of S. B. No. 9,

H. B. No. 1, A bill to be entitled "An Act to preserve the credit of the citizens of the State of Texas generally and to prevent the sacrifice of a large part of the products of its industry; to assist in maintaining the solvency of the banks chartered by the State and to preserve intact the depositors' guaranty fund; to maintain the integrity of the actual value of the products of industry during the present period of financial distress, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency which may be issued by the national government, and generally to preserve the credit and industrial and financial integrity of the State; authorizing and requiring the Commissioner of Insurance and Banking to establish a State warehouse system for the storage of cotton in bales, wheat in elevators and other products of industry; prescribing the terms and conditions and rules and regulations under which such officer shall establish said warehouse system, conferring certain authority upon him with reference thereto

and conferring authority upon incorporated cities and towns to contribute to the cost and expense of such system in their respective locations and conferring authority upon private corporations to make contributions for such purpose; authorizing the Commissioner to appoint managers at each local warehouse, fixing the bond and defining the duties of such managers; prescribing the terms and conditions of warehouse receipts to be issued by the managers of warehouses established by the Commissioner of Insurance and Banking, and prescribing when and under what conditions such receipts may be issued and when duplicates may be issued; defining negotiable and non-negotiable receipts, prescribing when property placed in State warehouses shall be delivered upon the surrender of receipts and all terms and conditions and rules and regulations governing State warehouses established by the Commissioner of Insurance and Banking; defining the liability of the State as a public warehouseman, and permitting suit to be brought against it as such; prescribing the venue thereof; prescribing that the Commissioner of Insurance and Banking shall fix the charge for storing; authorizing the Commissioner of Insurance and Banking to have all products stored in State warehouses insured; defining what character of building may be used for warehouses and storage purposes; providing for the appointment of warehouse examiners by the Commissioner of Insurance and Banking, prescribing their duties, conferring authority upon the Commissioner of Insurance and Banking to have the State warehouse examined by State bank examiners; providing how the warehouseman's lien provided for in the measure may be satisfied; stating when and under what conditions the Commissioner of Insurance and Banking shall cease to receive cotton in storage under the act; defining the standard of weights and measures and classification to govern the Commissioner in the administration of this act; creating certain penal offenses to secure the enforcement of the act, and prescribing penalties therefor; making an appropriation to carry out the provisions of this act, and declaring an emergency."

Senator Wiley made the point of order that S. B. No. 1, on third reading, had precedence over a bill on second reading.

The Chair overruled the point of order.

The committee report with (committee) amendments was adopted.

Senator Lattimore moved that the bill be considered by sections, acting on each section as reached.

The motion prevailed.

(Senator Darwin in the chair.)

### Section 1.

Read and no amendments offered.

### Section 2.

Senator Carter offered the following amendment, which was read and adopted:

Amend the bill, page 4, by adding after the word "expenses," at end of Section 2, the following: "Provided, further, that the salary and compensation of each clerk or employe other than the chief clerk shall not exceed the amount of \$150 per month for the time that he is employed by said Commissioner of Insurance and Banking."

Senator Wiley offered the following amendment, which was read and adopted:

Amend the bill, page 3, line 27, by striking out the word "managers."

Senator Watson offered the following amendment, which was read and adopted:

Amend the bill by adding after the word "Commissioner" wherever it occurs in the bill the following: "Of Insurance and Banking."

### Section 3.

Senator Wiley offered the following amendment, which was read and adopted:

Amend the bill, page 4, by striking out "Section 3," and renumbering following sections.

### Section 4.

Senator Carter offered the following amendment, which was read and adopted:

Amend the bill, page 4, by adding after the word "purpose," in line 20, the following: "Provided, that when said incorporated city, town or village shall appropriate out of their general funds sufficient amount to establish said warehouse, the city council of said city, town or village shall nominate the warehouse manager subject to confirmation by the Commissioner of Insurance and Banking."

Senator Bailey of DeWitt offered the following amendment:

Amend the bill, page 4, by striking out all of Section 4 of said bill, after line 12.

Senator Watson offered the following substitute for the amendment:

Amend the bill, page 4, Section 4, by striking out the word "require" where it appears and insert in lieu thereof the word "permit."

Pending.

## ADJOURNMENT.

Senator Carter, at 5:10 o'clock p. m., moved that the Senate adjourn until 10 o'clock Monday morning, and

Senator Collins moved, as a substitute, that the Senate adjourn until 10 o'clock Tuesday morning.

Action occurred on the longest time first, and the substitute motion was lost by the following vote:

Yeas—6.

Bailey of Harris.	Harley.
Collins.	Hudspeth.
Hall.	Watson.

Nays—16.

Bailey of DeWitt.	Johnson.
Brelsford.	Lattimore.
Carter.	Nugent.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Westbrook.
Greer.	Wiley.

Absent.

Astin.	McGregor.
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Absent—Excused.

Clark.	Real.
McNealus.	Taylor.
Morrow.	Willacy.

The motion to adjourn until 10 o'clock Monday morning was then adopted.

## APPENDIX.

### PETITIONS AND MEMORIALS.

Pleasanton, Texas.

John H. Bailey, Austin, Texas:

Whereas, in consideration of the depressing financial condition growing out of the European war, we, the Farmers' Union of Atascosa county, Texas, assembled in special called session at Pleasanton, Texas, do most respectfully petition you of the Senate to work in the interest of a stay law, staying the execution of all mortgages, liens, notes

and all debts for at least six (6) months in order to avert the crisis growing out of the forced collection under the present forced conditions of the producer incident to the depression of forced prices caused principally by European war.

C. JENKINS, President.  
GEO. DAVIS.

### COMMITTEE REPORTS.

Committee Room,  
Austin, Texas, September 5, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufactures, to whom was referred

S. B. No. 8, A bill to be entitled "An Act to create a State bonded warehouse system and afford a method of co-operative marketing for those engaged in the production of farm and ranch products and for the purpose of effectuating this, and creating a State Warehouse Commission, to be composed of three members to be appointed by the Governor, with the advice of the Senate; defining the authority of the Commission and giving it powers of visitation over the corporations chartered under the act; as a part of the system authorizing the formation of State bonded warehouse corporations on the mutual plan, to be under the supervision and control of the State Warehouse Commission; defining the purpose, power, and authority of such corporations, and regulating the chartering, management and business of the same; defining and prescribing the receipt to be issued by State bonded warehouses and the rights of the respective parties thereunder, and providing the law, rules and regulations governing the same; stating the business which may be conducted by State bonded warehouses as incidents of their warehouse and marketing business; declaring gins to be subject to a public use and requiring that all ginneries in the State shall obtain a license from the State Warehouse Commission and give bond to observe certain rules and regulations relative to the ginning and baling of cotton and sampling the same; authorizing the State Warehouse Commission to employ the services of a chief clerk, defining his duties, and also the necessary clerical help, office force and examiner, and creating the office of State warehouse

examiners, defining their authority, duties, and compensation; prescribing the salary of the State Warehouse Commissioners and the chief clerk; vesting the authority now vested by law in the Commissioner of Insurance and Banking with reference to public warehouses in the State Warehouse Commission, and transferring the archives in the office of the Commissioner of Insurance and Banking with reference to warehouse corporations to the State Warehouse Commission, but providing that this section does not apply to the law passed by the present session of the Legislature with reference to the establishment of State warehouses as an emergency measure by the Commissioner of Insurance and Banking; creating and defining offenses in violation of the act, and prescribing penalties therefor; making appropriation for carrying the act into effect, and declaring an emergency."

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass.

COLLINS, Chairman.

Committee Room,  
Austin, Texas, September 5, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed Bills, to whom was referred

S. B. No. 1, A bill to be entitled "An Act construing the term public cotton warehouse, providing for the construction of public cotton warehouses, requiring ginneries to construct buildings or platforms for the protection of ginned cotton, directing how cotton shall be wrapped, records to be kept by ginneries; construing the term warehouseman, providing for bond of warehouseman, imposing certain duties upon the Commissioner of Insurance and Banking, providing for the issuance of charter to warehouseman, providing for warehouseman records, and examination of public cotton warehouses, defining the terms samples, loose, linter and bolly; making warehouse receipts negotiable; providing for fees of warehouseman, examination of warehouses and charges for each examination, limited number of warehouses conducted under one charter; requiring railway companies to shed platform and to transport cotton in closed cars, requiring compresses to be supplied with weatherproof platforms to protect cotton, requiring all persons concentrating cotton to provide suitable platforms and sheds to protect same from

damage, providing penalties; repealing all laws in conflict, and declaring an emergency."

Have carefully compared same, and find it correctly engrossed.

BRELSFORD, Chairman.

#### TWELFTH DAY.

Senate Chamber,  
Austin, Texas,

Monday, September 7, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Carter.	McNealus.
Conner.	Nugent.
Cowell.	Real.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Hall.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.

Absent.

Astin.	McGregor.
Brelsford.	Watson.
Clark.	

Absent—Excused.

Collins.	Taylor.
Morrow.	

Prayer by W. A. McLeod of Austin.

Pending the reading of the Journal of Saturday, the same was dispensed with on motion of Senator Bailey of Harris.

#### EXCUSED.

On account of important business:

Senator Hudspeth, for non-attendance for last Friday, on motion of Senator Cowell.

Senator Collins, for today and tomorrow, on motion of Senator Townsend.

#### BILLS AND RESOLUTIONS.

Senator Darwin offered the following resolution:

By Senators Wiley and Darwin:

Senate Concurrent Resolution No. 4:

Whereas, The Legislature of the State of Texas is doing all possible to relieve the cotton situation so far as legislation can do so, and will do all possible to relieve the situation; and

Whereas, We are confident that all the people must co-operate together for the general good, and we know that all alike will be injured by the great loss to farmers and business men of all professions if our cotton crop is sold at a price below the cost of production; and

Whereas, The great body of cotton growers of the State have obligations that are outstanding and that are now maturing and will mature within the next thirty to sixty days; and

Whereas, They as a rule are men of ordinary means and unable to tide themselves over a crisis by individual effort; and

Whereas, The great citizenship of Texas, acting co-jointly as citizens, have an abundance in store and are in position to lend aid to their weaker neighbors; and

Whereas, We believe that the purchase of one bale of cotton by each citizen who is able to make such purchase would greatly relieve the congested condition of the market and retire many thousands of bales from the market that would otherwise become distressed cotton, and if sold would result in great loss to the cotton farmers of this State; now, therefore, be it

Resolved by the Senate, the House concurring, That each member of the Senate and the House who feel themselves able and willing to do so, buy one bale of cotton at not less than ten cents per pound, obligating themselves to store the bale purchased, and withhold it from the market for a period of at least twelve (12) months, or until the prevailing price of cotton is at least ten cents per pound, and that we recommend and request of citizens of the State who are in a position to do so to buy one bale of cotton at a price of not less than ten cents per pound and place it in storage as hereinbefore suggested.

We further recommend that each cotton farmer of the State, growing and producing a crop of more than five bales of cotton, hold one bale off the market and that the purchases made as suggested herein in so far as may be possible, be made from that class of our cotton farmers who are now or may become depressed by the burden of debt and the necessities of life.

Be it further resolved, That the Secretary of the Senate be directed to fur-

nish a copy of this resolution to the press of the State, that a copy be forwarded to the Governor of each of the cotton-growing States, and to the members of the Texas delegation in national Congress.

Senator Hudspeth offered the following amendment:

Amend the resolution by adding after the words "buy one bale of cotton" the following: "From the producer who is not in such a financial condition as to hold his cotton."

Pending discussion, Senator Lattimore moved the previous question on the amendment and the resolution, which motion, being duly seconded, was so ordered.

The amendment was adopted, and the resolution, as amended, was adopted.

### SIMPLE RESOLUTION.

By Senator Willacy:

Whereas, The cataclysm of European war has cast its shadows upon the greatest of Texas industries, closing for a time the principal markets of the world for the products of our cotton fields; and

Whereas, It is especially true of Texas that "prosperity begins and ends with the soil," and that the limitations of progress in all lines of endeavor are fixed by the measure of agricultural success; and

Whereas, No State may become, or remain, great except through the fruits of its potential forces, wisely protected and directed "with equal rights to all and special privileges to none"; and

Whereas, The agricultural industry of Texas is so closely interwoven with, and dependent upon, many other lines of endeavor, clothing all with such common cause and collateral interest, that the fall of one may weaken or destroy the other; and

Whereas, The Legislature of a people should ever be the open door of hope to all, with prejudice toward none; and

Whereas, Grave problems, such as at this time confront every person and industry living, and operating, within the borders of our State, must depend for final and rightful solution upon the best thought and highest patriotism of the land; and

Whereas, Sound, unselfish reasoning, commonly known as "horse sense," is the greatest heritage bequeathed to mankind by the Infinite Creator; therefore, be it

Resolved, That the serious and impor-

tant problem of protecting, as best we may, the cotton crop of Texas, and through it the best interests of all, including those whose honest labor upon the farms have produced it, can best be solved by bringing all parties at interest closer together and not by forcing them wider apart; and be it further

Resolved, That with the certainty present with us of heavy decline in the world's demand, it must inevitably follow that a very material part of the crop of 1914 cotton must be carried over into the succeeding year, and that the most direct route to normal and substantial value will be found in the early and certain guarantee of correspondingly reduced acreage during the coming year, fortified by adequate warehouse facilities, properly safeguarded, to protect the harvest now in hand. As it relates to the things we wear the purchasing power of nations is regulated, largely by the prosperity of those engaged in peaceful pursuit and not by those engaged in war. Vast numbers of Europeans, once our customers, are now at each other's throats. It requires no great flight of thought to picture the rigid economy now invoked in their homes, nor to realize that much time will be necessary for recuperation after the struggle is over, and normal consumption can be expected; and be it further

Resolved, That the Senate of Texas stands ready, in aid of all parties at interest, to do all things consistent with sound public policy within the limitations of the Constitution that binds us, all alike, but that in our best judgment a moratorium or "stay law" would at one stroke destroy the credit of the farmer, the country merchant and banker, bringing disaster to the very class of citizens the proponents of such a law assume to protect. It is known of all men that large numbers of our farming citizenship are dependent upon an unimpaired credit, not alone to harvest his present crop, but even to exist the remainder of the year. This truth is much to be regretted, but the fact, nevertheless, confronts us. Nor does it end there, for upon the financial ability of the country merchant to carry his needs depends his only hope of planting and cultivating during the coming year. Certainly the country merchant, his credit destroyed, could not meet the needs of customers whose credit has also been emasculated. There are always, and between all men, three essentials upon which credit must be based. First, satisfactory security; second, the rate

of interest; and, third, a reasonable expectation that the loan or account will be paid when due. To destroy either will destroy those whose energy is their only capital. Others may, and no doubt will, be able to help themselves, but such as these can not, and will be forced by unequal circumstances to abandon their fields and homes. It may prove a most certain way to reduce acreage, but it will not be the rightful way. Poverty may be considered a crime, but the spirit of a common brotherhood should impel us to shield the poor with a guarantee of the same opportunity accorded his more fortunate brother; and be it further

Resolved, That, though the unequal distribution of wealth is and always will be a present condition, yet readjustment can not be hoped for through legalized confiscation or repudiation. Rather shall we look with hope to the great soul of the people awakened to the needs of a common brotherhood. Texas is blessed with a multitude of wealthy people, the greater part of whose wealth is, and always has been, grounded upon our usual prosperous agriculture. Now is the time and Texas the place for these more fortunate of our people to cast bread upon the waters and help themselves in degree no less than the relief sorely needed in this hour, the great body of our wealth-producing citizenship; and be it further

Resolved, That it is the judgment of this Senate, especially in this crisis, that the interests of one of our citizens is the interest of all, and that each should exercise toward the other that broad spirit of generous dealing essential to the needs of the hour, consistent with fairness, and necessary to our common good and happiness.

The resolution was read and ordered printed in the Journal.

#### SIMPLE RESOLUTION.

By Senator Lattimore:

Whereas, Hon. W. A. Hanger, a former distinguished member of this Senate, is in the city; therefore, be it

Resolved, That he be invited to address the Senate on such subject as may suit him, preferably warehouse legislation, and that he be accorded the privileges of the floor.

The resolution was read, and Senator Watson offered the following substitute:

Whereas, There is now in the gallery of the Senate two distinguished former members of the Texas Legislature, to-wit, those two sturdy tenant farmers from Fort Worth, Hon. Albert Baskin and Hon. W. A. Hanger; therefore, be it

Resolved, That they be invited to address the Senate on the question of most approved and modern methods of tenant farming, and how to get the money.

HUDSPETH,  
WATSON.

The substitute was adopted, and the resolution as substituted was adopted.

Morning call concluded.

Senator McNealus, at 11:15 o'clock a. m., moved that the Senate adjourn until 10 o'clock tomorrow morning.

The motion was lost.

(Senator Johnson in the chair.)

#### HOUSE BILL NO. 1.

Action here recurred on House bill No. 1, the emergency warehouse bill, pending at adjournment Saturday, and action being on Section 4.

Action recurred on the pending amendment by Senator Bailey of DeWitt and the substitute therefor by Senator Watson.

The substitute by Senator Watson, for the amendment by Senator Bailey of DeWitt, was adopted.

Action recurred on the amendment, as substituted, and Senator Nugent offered the following substitute:

Amend the bill, page 4, line 12, by adding after the word "provided" the following: "Provided, that no lease for any warehouse or warehouse site shall accrue to or impose upon the State or any city or town any expense as a charge for such site or warehouse, nor shall the same create any obligation upon or debt against the State or any city or town; and provided further, that the Commissioner of Banking and Insurance shall have the power to contract for the lease of warehouses and warehouse sites on such terms that will provide for the payment for such leaseholds out of the warehouse revenues only, or by voluntary donations or contributions by others than the State," and by striking out all of Section 4, after line 12, down to and including the word "purpose" in line 20, and by striking out the word "require" in line 22 and insert in lieu thereof the word "permit."

NUGENT,  
HUDSPETH.

The amendment was read and substituted for the Watson amendment.

Senator Cowell offered the following substitute for the amendment, as substituted:

Amend the bill, page 4, by striking out all of Section 4 after the figure "4" in line 6, and insert the following: "As soon as this act goes into effect the Commissioner acting as trustee for the State shall establish in each town or city in this State, whether incorporated or unincorporated, and at such other places where the demand therefor is reasonably sufficient to justify the outlay, and where a proper building for such purpose is tendered free of cost to the State, a State warehouse for the storage of cotton in the bale, and shall store the same and issue receipts therefor in the manner herein provided."

Senator Nugent moved to table the substitute.

Pending discussion, Senator Nugent moved the previous question on the substitute, which motion being duly seconded, was so ordered.

The motion to table the substitute was adopted.

The amendment, as substituted, was adopted.

#### RECESS.

Senator Conner, at 12:30 o'clock p. m., moved that the Senate recess until 3 o'clock today.

Senator Hudspeth moved, as a substitute, that the Senate adjourn until 10 o'clock tomorrow in honor of Labor Day.

Action recurred on the longest time first, and the substitute motion was lost by the following vote:

Yeas—3.

Cowell. Wiley.  
Hudspeth.

Nays—22.

Bailey of DeWitt. Johnson.  
Bailey of Harris. Lattimore.  
Brelsford. McNealus.  
Carter. Nugent.  
Clark. Real.  
Conner. Terrell.  
Darwin. Townsend.  
Gibson. Warren.  
Greer. Watson.  
Hall. Westbrook.  
Harley. Willacy.

Absent.

Astin. McGregor.  
S2—8

Absent—Excused.

Collins. Taylor.  
Morrow.

#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.  
(Senator Westbrook in the chair.)

#### HOUSE BILL NO. 1.

Action recurred on the pending business, House bill No. 1, the consideration being on Section 4.

Senator Darwin offered the following amendment:

Amend the bill, page 4, by striking out lines 25, 26, 27, 28, 29 and 30.

Senator Hall moved to table the amendment, which motion to table was adopted by the following vote:

Yeas—17.

Bailey of Harris. Johnson.  
Brelsford. Nugent.  
Carter. Real.  
Conner. Terrell.  
Gibson. Warren.  
Greer. Watson.  
Hall. Westbrook.  
Harley. Willacy.  
Hudspeth.

Nays—5.

Clark. Lattimore.  
Cowell. Wiley.  
Darwin.

Absent.

Astin. McNealus.  
Bailey of DeWitt. Townsend.  
McGregor.

Absent—Excused.

Collins. Taylor.  
Morrow.

Senator Darwin offered the following amendment, which was read and adopted:

Amend the bill, page 4, line 7, by striking out the word "shall" and insert the word "may."

Pending discussion, Senator Hall moved that the bill be passed to a third reading.

Senator Hudspeth made the point of order that the motion was out of order, since the Senate had already voted to consider the bill by sections, and the Chair sustained the point of order.



## Section 5.

Senator Warren offered the following amendments, separately, which were read and adopted:

(1)

Amend the printed bill, page 5, line 19, by adding the following after the word "Commissioner": "Such warehouse manager shall be selected as follows: If in an incorporated city or town then the city council or city commission, as the case may be, shall, by a majority vote and at a regular or special meeting, nominate such manager and shall, within ten days after such nomination, certify his name to the Commissioner of Insurance and Banking for approval, and such person, if approved by the Commissioner, shall act as manager for such warehouse. If not in an incorporated city or town, then the commissioners court of the county wherein such warehouse is situated, shall by a majority vote and either in term time or vacation, nominate such manager and shall, within ten days after such nomination, certify his name to the Commissioner of Insurance and Banking for approval, and such person, if approved by the Commissioner, shall act as manager of such warehouse; provided, however, that if a warehouse association or local board of directors be formed or selected in any such incorporated city, town or in any other community in connection with any warehouse organized under the provisions of this act, then and in that event the aforesaid warehouse association or local board shall nominate such manager and shall certify his name within ten days after his nomination to the Commissioner of Insurance and Banking, for approval, and he shall, if approved by the Commissioner, be the manager of such warehouse."

WARREN,  
GIBSON,  
HARLEY,  
WILLACY.

(2)

Amend the bill, page 4, line 32, by striking out the words "by the Commissioner," and inserting in lieu thereof the following: "As hereinafter directed."

WILLACY,  
WARREN.

(3)

Amend the bill, page 5, by striking out in line 7 all after the period follow-

ing the word "manager" down to and including the period following the word "duties" in line 13.

(4)

Amend the bill, page 5, line 4, by striking out all after the word "than," to and including the word "ten," and inserting in lieu thereof the following: "(\$25,000) twenty-five thousand dollars."

(5)

Amend the bill by striking out all after the words "Attorney General," and the period following said words, in line 16, page 5, of the printed bill, down to and including the word "Commissioner," at the end of line 19, and insert in lieu thereof the following: "The managers of warehouses in each such town, city, village or community shall receive such salary as may be fixed by not less than 50 per cent of the subscribers to the fund subscribed and paid in for the installation of such warehouse."

Senator Carter moved to rescind the vote by which the Senate voted to consider the bill by sections.

Senator Hudspeth made the point of order that a motion to rescind the vote was not in order, since the Rules of the Senate did not provide for a rule for rescinding a vote, etc.

The Chair overruled the point of order.

The motion to rescind the vote by which the Senate was to consider the bill by sections was then adopted.

Senator Watson offered the following amendment, which was read and adopted:

"Amend the bill, page 12, line 12, by striking out all of said line after the word "shall" and insert in lieu thereof the following: "At any time after he has been appointed and qualified be an."

Senator Hudspeth offered the following amendment:

Amend the bill, page 8, Section 9, by striking out the word "State" wherever it occurs in said section and insert in lieu thereof the word "manager."

HUDSPETH,  
NUGENT.

(President Pro Tem. Warren in the chair.)

Pending discussion, Senator Terrell was called to the chair.

Action recurred on the above amendment, and

Senator Clark moved the previous question on the amendment, which motion, being duly seconded, was so ordered.

The amendment was read second time and was lost by the following vote:

Yeas—7.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	Nugent.
Gibson.	Wiley.
Hudspeth.	

Nays—14.

Brelsford.	McNealus.
Carter.	Real.
Conner.	Terrell.
Greer.	Townsend.
Hall.	Watson.
Harley.	Westbrook.
Johnson.	Willacy.

Absent.

Astin.  
Clark.

McGregor.

PAIRED.

Senator Cowell (present), who would vote "yea," with Senator Collins (absent), who would vote "nay."

Senator Warren (present), who would vote "nay," with Senator Morrow (absent), who would vote "yea."

Senator Darwin (present), who would vote "yea," with Senator Taylor (absent), who would vote "nay."

Senator McNealus offered the following amendment:

Amend the printed bill by striking out all after line 30, page 2.

Senator Townsend moved the previous question on the amendment and the passage of the bill to a third reading, which motion, being duly seconded, was so ordered.

Senator Lattimore made the point of order that the previous question could not be moved on the passage of the bill to a third reading, since the question was not before the Senate.

The point of order was overruled.

The amendment was lost.

Action recurred on the bill, the same having already been read, and the bill was passed by a third reading by the following vote:

Yeas—19.

Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	Johnson.
Brelsford.	Nugent.
Carter.	Real.
Clark.	Terrell.
Conner.	Townsend.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Willacy.
Harley.	

Nays—3.

Lattimore.  
McNealus.

Wiley.

Absent.

Astin.

McGregor.

PAIRED.

Senator Warren (present), who would vote "yea," with Senator Morrow (absent), who would vote "nay."

Senator Cowell (present), who would vote "nay," with Senator Collins (absent), who would vote "yea."

Senator Darwin (present), who would vote "nay," with Senator Taylor (absent), who would vote "yea."

REASONS FOR VOTE.

I vote "aye" upon the engrossment of this bill for the reason only that since the adoption of the amendment offered by myself and the Senator from El Paso (Senator Hudspeth), making it impossible for the State or any city or town to incur any liability or create any debt in the leasing of any warehouse or warehouse site. I feel that the greatest objections to the bill from a constitutional standpoint, and on account of paternalism and socialism, have been removed. Further, for the reason that with proper safeguards thrown around the measure as to State liability on warehouse certificates, by holding first the warehouse manager on his bond, as I believe will be done in free conference.

NUGENT.

Pending discussion, Senator McNealus moved to reconsider the vote by which the bill was passed to a third reading, and

Senator Carter moved to table the motion to reconsider, which motion to table was adopted.

On motion of Senator Carter, the constitutional rule requiring bills to be read on three several days was suspended, and the bill put on its third reading and final passage by the following vote:

Yeas—22.

Bailey of DeWitt.	Hall.
Bailey of Harris.	Harley.
Brelsford.	Hudspeth.
Carter.	Johnson.
Clark.	Lattimore.
Conner.	Nugent.
Darwin.	Real.
Gibson.	Terrell.
Greer.	Townsend.

Warren.  
Watson.

Westbrook.  
Willacy.

Nays—2.

McNealus.

Wiley.

Absent.

Astin.

McGregor.

Absent—Excused.

Morrow.

Taylor.

PAIRED.

Senator Cowell (present), who would vote "nay," with Senator Collins (absent), who would vote "yea."

The Chair laid House bill No. 1 before the Senate on third reading, and Senator Westbrook offered the following amendment:

Amend the bill by adding after Section 7, Sections 7a, 7b and 7c, as follows:

"Section 7a. When any negotiable warehouse receipt is presented for a loan to any person, firm or corporation, the parties to the contract may agree to and stipulate for any rate of interest not exceeding ten (10) per cent per annum on the amount of the contract."

"Section 7b. All contracts whatsoever which may in any way, directly or indirectly, violate the preceding article by stipulating for a greater rate of interest than ten (10) per cent per annum, shall be deemed usurious interest and void, and any person, firm or corporation lending money on said negotiable cotton warehouse receipt at a rate of interest in excess of ten (10) per cent per annum shall forfeit both the principal and interest on said loan, and in addition thereto be punished, if an individual, by serving a term in the county jail of the county where said loan is made of not less than thirty nor more than ninety days; and if a firm or corporation, the agent or officer of same so offending shall be punished as provided herein for an individual."

"Section 7c. It is hereby declared that should the two preceding sections or either of said sections be declared by the courts unconstitutional it will in no wise affect the validity of any other section or part of this bill."

Senator Cowell offered the following amendment to the amendment:

Amend the amendment by adding after the word "industrial," at the end of the second section, the following: "And provided further, that any person agreeing to and paying usurious interest as

herein provided shall be subject to the same penalty prescribed herein for the collection or beneficiary as such usurious interest."

Senator Watson made the point of order on the amendment and amendment to the amendment that they were not germane to the bill, nor were not within the province of the Governor's call.

The Chair, Senator Terrell, overruled the point of order.

Senator Nugent moved to table the amendment and the amendment to the amendment, and

Senator Lattimore called for a division of the question.

Action recurred first on the amendment to the amendment, and the same was tabled by the following vote:

Yeas—24.

Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	McNealus.
Clark.	Nugent.
Conner.	Real.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.

Absent.

Astin.  
McGregor.

Warren.

Absent—Excused.

Collins.  
Morrow.

Taylor.

Action recurred on the motion to table the amendment, and the same was lost by the following vote:

Yeas—8.

Brelsford.	Johnson.
Darwin.	Nugent.
Greer.	Watson.
Hall.	Wiley.

Nays—17.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McNealus.
Carter.	Real.
Clark.	Terrell.
Conner.	Townsend.
Cowell.	Warren.
Gibson.	Westbrook.
Harley.	Willacy.
Hudspeth.	

Absent.

Astin. McGregor.

Absent—Excused.

Collins. Taylor.  
Morrow.

Action recurred on the amendment, and the same was lost by the following vote, a two-thirds vote being necessary:

Yeas—14.

Bailey of Harris.	McNealus.
Carter.	Real.
Clark.	Terrell.
Conner.	Townsend.
Cowell.	Warren.
Harley.	Westbrook.
Lattimore.	Willacy.

Nays—9.

Brelsford.	Johnson.
Darwin.	Nugent.
Greer.	Watson.
Hall.	Wiley.
Hudspeth.	

Present—Not Voting.

Gibson.

Absent.

Astin. McGregor.  
Bailey of DeWitt.

Absent—Excused.

Collins. Taylor.  
Morrow.

Senator Nugent offered the following amendment:

Amend the bill, page 5, by striking out all after the word "cotton" in line 1, down to and including the word "dollars," in line 4, and inserting in lieu thereof the following: "The manager shall give bond, payable to the State of Texas, in the sum of not less than twenty-five hundred dollars and not more than twenty-five thousand dollars, for the use and benefit of the person aggrieved by a violation of the terms of such bond, the venue of such suit or suits to be in any court of competent jurisdiction in the county in which such warehouse is situated, such suits to run against such alleged offending manager, and the sureties on his official bond, provided that such manager may be required by the Commissioner to give a new bond whenever such bond may have been impaired by recoveries."

Senator Carter moved the previous question on the amendment and the final

passage of the bill, which motion being duly seconded, was so ordered.

The amendment was read second time and was adopted by the following vote:

Yeas—17.

Brelsford.	Lattimore.
Carter.	Nugent.
Clark.	Real.
Conner.	Townsend.
Cowell.	Warren.
Darwin.	Watson.
Gibson.	Wiley.
Greer.	Willacy.
Hudspeth.	

Nays—7.

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Terrell.
Hall.	Westbrook.
Harley.	

Present—Not Voting.

McNealus.

Absent.

Astin.

Absent—Excused.

Collins. Morrow.  
McGregor. Taylor.

The bill, having been read the third time, was passed by the following vote:

Yeas—20.

Bailey of DeWitt.	Harley.
Bailey of Harris.	Hudspeth.
Brelsford.	Johnson.
Carter.	Nugent.
Clark.	Real.
Conner.	Terrell.
Darwin.	Townsend.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Willacy.

Nays—3.

Lattimore. Wiley.  
McNealus.

Absent.

Astin. McGregor.

Absent—Excused.

Taylor.

PAIRED.

Senator Warren (present), who would vote "yea," with Senator Morrow (absent), who would vote "nay."

Senator Cowell (present), who would vote "nay," with Senator Collins (absent), who would vote "yea."

Senator Carter moved to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion to table prevailed.

## REASONS FOR VOTE.

House bill No. 1 is not what I want, and is in a large measure contrary to my views, in that I am opposed to the State's engaging in any business other than the proper functions of government, and I am especially opposed to the State lending its credit or creating any debt in aid of any private business, individual, associations or corporations, and especially because such a policy is in violation of Sections 49 and 50, Section 3 of the Constitution of my State, which I have sworn to support and maintain; but since the Senate has adopted the amendment offered by myself and the Senator from El Paso (Senator Hudspeth) forbidding the creation of any liability or debt against the State or any city or town for the lease of any warehouse or warehouse site, and since the Senate has also passed the amendment offered by myself, requiring that all suits for violation of the bonds of warehouse managers shall run against such managers on their official bonds, fixing venue of such suits in the county where such warehouse is situated, and providing that the Commissioner may require such warehouse manager to give a new bond as often as impaired by recoveries, that this provision automatically prevents the possibility of involving the State, while the State supervises and controls the operations of public warehouses. Believing that we have as near a constitutional and effective bill as we can make, and desiring to do all in my power to relieve the great farming and business interests of my State as quickly as possible, I vote "yea."

NUGENT.

## ADJOURNMENT.

Senator McNealus, at 7:40 o'clock p. m., moved that the Senate adjourn until 2 o'clock tomorrow afternoon.

Senator Clark moved, as a substitute, that the Senate adjourn until 10 o'clock tomorrow morning.

The substitute motion was adopted, and the Senate, accordingly, adjourned until 10 o'clock tomorrow morning.

## APPENDIX.

## PETITIONS AND MEMORIALS.

Senator Conner presented a numer-

ously signed petition from citizens of Ballinger requesting support of the emergency administration warehouse bill or some measure with equal advantage of immediate relief.

Senator Terrell presented a petition from citizens of Mart urging that cotton in warehouses be weighed by public weighers.

Senator Brelsford offered the following telegram:

Fort Worth, Texas, Sept. 7, 1914.

H. P. Brelsford, State Senator, Austin, Texas:

Letter received. Any kind of a stay law or moratorium would in our opinion be suicidal for our State. With our enormous resources and a reasonable amount of patience this situation will work itself out. The Legislature should adjourn and go home.

BEN O. SMITH,

Pres. F. and M. National Bank.

Senator Bailey of DeWitt offered the following, and requested that it be printed in the Journal:

Floresville, Texas, August 26, 1914.

Gov. O. B. Colquitt, Austin, Texas.

Dear Governor: I desire to present for your consideration the advisability of recommending at the present special session of the Legislature the enactment of a law which will suspend the enforcement of all executions for the collection of money for a period of six months.

This purpose can be effected in one of two ways, viz.:

(a) By the amendment of the statute providing for the issuance of an execution so as to read, in substance: "That, six months after the adjournment of every court, it shall be the duty of the clerk \* \* \* to issue execution"; or,

(b) By the amendment of the statute with reference to notice of sale of both real and personal property so that six months' prior notice must be given before any sale is made under execution or order of sale."

For the Legislature to provide that no debt can be collected through judicial proceedings in the courts of the country for a period of six months would, in all probability, meet with serious objection before the Legislature, if not with constitutional inhibition in the courts. The objection might be urged to such a law that it contravenes the constitutional guaranty against the enactment of any

law impairing the obligation of a contract. My proposition is to change merely the remedy for the enforcement of a right, and it is well settled that contracting parties have no vested right in a given remedy, but that the Legislature may, at its pleasure, alter the remedy without impairing the obligations of the contract.

To absolutely suspend the collection of all debts for a period of six months would place the creditor of a dishonest debtor at the mercy of the latter, in that the latter could make way with his property, leaving the creditor helpless. For instance, if the collection of a debt be absolutely suspended the merchant who has furnished a farmer with supplies would have no remedy to prevent the fraudulent disposition of the crop by the debtor to the detriment of the creditor. Under the solution herein suggested the writs of attachment and all other extraordinary writs would still be available for the protection of the rights of any creditor, and after he has obtained his writ, together with judgment foreclosing any lien, the sale of the property would be suspended for six months, thus affecting the remedy or means of enforcing the obligation without, in fact, impairing the obligation itself.

We are prone under present distressed financial conditions to consider the merchant and the man who has a few bales of cotton, and while these classes are entitled to consideration and protection there is a class of our citizenship that will be more seriously affected by the failure to enact this or some similar law, than any other class, viz: the man whose home is not paid for. To permit sale under execution or order of sale of all the homes in Texas whose owners are at the mercy of creditors who are more concerned in their pocketbooks than in the general welfare of the State, will be, in effect, to place a large per cent of present home owners in the class of tenants, and that disheartened and discouraged. The homes will go back into the hands of the speculator and it will be years under the most favorable conditions before our country as a whole would regain its loss and assume a condition equal to that it now occupies. No man who has the welfare of the country at heart and who is sincere in his expression of a desire for advancement among our people, will object to having enacted a law, the effect of which is to give the debtor an opportunity to meet his obligations in times

of general distress. Such a creditor would have the same protection as against his creditors.

The enactment of a warehouse bill upon correct principles, and the issuance of emergency currency will do a great deal towards alleviating present distressed financial conditions, but in my judgment these measures and methods in connection with the plan hereinbefore outlined will be more effective and will afford to the people a greater measure of relief.

Our crops, especially of cotton, are about four weeks earlier in this section of the State than in Central and North Texas, and by the time the Legislature can pass a warehouse bill, and the warehouses be erected, and the plan put into practical operation, the greater part of our cotton will have been gathered, and the people of Southwest Texas will not get their full quota of benefit from such a law.

Our notes and accounts are made payable early in the fall because our crops are early, and much property will be sacrificed at execution sale, even though the warehouses were now in operation.

I consider it imperative that our people be given relief, and to my mind the only practical solution of the problem is the one herein suggested.

I have taken up and discussed this matter with several of our leading business men, and it meets with their approval, and some of them would like to discuss the merits of the plan with you, if you think any good could be accomplished thereby.

Very truly yours,

(Signed) O. A. McCracken.

### THIRTEENTH DAY.

Senate Chamber,  
Austin, Texas,

Tuesday, September 8, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Conner.
Bailey of DeWitt.	Cowell.
Bailey of Harris.	Darwin.
Brelsford.	Gibson.
Carter.	Greer.
Clark.	Hall.
Collins.	Harley.

Hudspeth.	Taylor.
Johnson.	Terrell.
Lattimore.	Townsend.
McGregor.	Warren.
McNealus.	Westbrook.
Morrow.	Wiley.
Nugent.	Willacy.
Real.	

Absent.

Watson.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Bailey of Harris.

Morning call concluded.

## SENATE BILL NO. 1.

The Chair laid before the Senate, on its third reading and regular order,

S. B. No. 1, A bill to be entitled "An Act construing the term public cotton warehouse, providing for the construction of public cotton warehouses, requiring ginners to construct buildings or platforms for the protection of ginned cotton, directing how cotton shall be wrapped, records to be kept by ginners; construing the term warehouseman, providing for bond of warehouseman, imposing certain duties upon the Commissioner of Insurance and Banking, providing for warehouseman records, and examination of public cotton warehouses, defining the terms, samples, loose, linter and bolly, making warehouse receipts negotiable, providing for fees of warehousemen, examinations of warehouses and charges for such examinations, limiting number of warehouses conducted under one charter; requiring railway companies to shed platforms and to transport cotton in closed cars, requiring all persons concentrating cotton to provide suitable platforms and sheds to protect the same from damage, providing penalties, repealing all laws in conflict, and declaring an emergency."

The bill was read third time and passed by the following vote:

Yeas—20.

Astin.	Hall.
Bailey of DeWitt.	Harley.
Bailey of Harris.	Hudspeth.
Brelsford.	Lattimore.
Carter.	McGregor.
Clark.	Morrow.
Conner.	Townsend.
Cowell.	Warren.
Darwin.	Wiley.
Greer.	Willacy.

Nays—4.

Collins.	Taylor.
Johnson.	Westbrook.

Present—Not Voting.

Real.	Terrell.
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Absent.

Gibson.	Nugent.
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Senator Wiley moved to reconsider the vote by which the bill was passed, and lay that motion on the table, which motion to table prevailed.

## PAIRED.

After the vote was announced, by unanimous consent, Senator McNealus was permitted to record the following pair:

Senator McNealus (present), who would vote "yea," with Senator Watson (absent), who would vote "nay."

## SENATE BILL NO. 4.

The Chair laid before the Senate, on second reading,

S. B. No. 4, the emergency warehouse bill introduced in the Senate.

Senator Willacy moved that S. B. No. 4 be referred back to the calendar without date.

The motion prevailed.

## SENATE BILL NO. 9.

(By Unanimous Consent.)

The Chair laid before the Senate, S. B. No. 9, as pending business, and known as the Darwin bill.

Senator Darwin moved to reconsider the vote by which the Senate adopted an amendment by Senator Watson—H. B. No. 1—to the bill, which action was had on the bill on Friday, September 4th.

The motion prevailed.

Senator Darwin then moved to table the amendment, which motion prevailed.

The bill was read second time and passed to engrossment.

On motion of Senator Darwin, the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 9 was put on its third reading and final passage by the following vote:

Yeas—26.

Astin.	Bailey of DeWitt.
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Bailey of Harris. Hudspeth.  
Brelsford. Johnson.  
Carter. McGregor.  
Clark. McNealus.  
Collins. Real.  
Conner. Taylor.  
Cowell. Terrell.  
Darwin. Townsend.  
Gibson. Warren.  
Greer. Westbrook.  
Hall. Wiley.  
Harley. Willacy.

Present—Not Voting.

Lattimore. Morrow.

Absent.

Nugent. Watson.

The bill was read third time and passed by the following vote:

Yeas—25.

Astin. Harley.  
Bailey of DeWitt. Hudspeth.  
Bailey of Harris. Johnson.  
Brelsford. McGregor.  
Carter. Real.  
Clark. Taylor.  
Collins. Townsend.  
Conner. Warren.  
Cowell. Westbrook.  
Darwin. Wiley.  
Gibson. Willacy.  
Greer.  
Hall.

Present—Not Voting.

Lattimore. Morrow.  
McNealus. Terrell.

Absent.

Watson.

#### SENATE BILL NO. 6—REFUSED TO TAKE UP.

Senator Astin asked unanimous consent to take up, out of its order, S. B. No. 6.

There was objection.

Senator Astin moved to suspend the regular order of business, S. B. No. 7, and take up, out of its order, S. B. No. 6.

The motion was lost by the following vote (a two-thirds vote being necessary):

Yeas—17.

Astin. Cowell.  
Brelsford. Hall.  
Carter. Harley.  
Clark. Hudspeth.  
Conner. McGregor.

Morrow. Warren.  
Taylor. Westbrook.  
Terrell. Willacy.  
Townsend.

Nays—8.

Collins. Johnson.  
Darwin. Lattimore.  
Gibson. Real.  
Greer. Wiley.

Present—Not Voting.

Bailey of Harris. McNealus.

Absent.

Bailey of DeWitt. Watson.  
Nugent.

Senator Gibson asked unanimous consent to offer a concurrent resolution, but there was objection.

#### SENATE BILL NO. 7.

The Chair laid before the Senate, on second reading and regular order,

S. B. No. 7, A bill to be entitled "An Act to authorize the appointment of State weighers and graders of cotton in public warehouses; to further regulate cotton warehouse receipts; to facilitate the lending of money thereon; to make cotton warehouse receipts safer collateral for the loan of money; to enable the farmers of Texas to obtain money on cotton warehouse receipts; prescribing the life of this bill, and declaring an emergency."

Senator Lattimore moved that the bill be made a special order for September 23rd after the morning call.

The motion was adopted.

Senator Gibson asked unanimous consent to offer a concurrent resolution, but there was objection.

Senator McNealus here moved that the Senate adjourn until 10 o'clock tomorrow morning.

The motion was lost.

#### SENATE BILL NO. 6.

The Chair laid before the Senate, on second reading and regular order.

S. B. No. 6, A bill to be entitled "An Act to establish a cotton warehouse system in the State of Texas under the direction and control of the State; to provide for the issuance of warehouse receipts which shall state the weights and grade of cotton received and deposited in warehouses and describe the



bale or bales in which it is contained; fixing the standard of the receipts issued against cotton deposited and held in State and licensed warehouses; determining the responsibility of the State to deliver to the holder the cotton described on the face thereof; to provide for the creation of the Cotton Warehouse Commission of Texas; to define the powers and duties of the Commission and to regulate the method by which its membership shall be constituted and the amount of the compensation of members; empowering the said Commission to build, buy, lease, rent and license and maintain and operate such warehouses; empowering the said Commission to devise and use a seal and to formulate an official form of receipt, and to empower its warehousemen and licensees to issue receipts and surrender cotton described in receipts; defining the meaning of 'warehouse' under this act; authorizing the said Commission to employ persons having the necessary qualifications to supervise, operate and maintain warehouses and perform other duties proper to the carrying out of this act under the direction of the Commissioner; empowering the said Commission to fix the rates of storage of cotton, to insure the cotton, and to collect and disburse the insurance; providing for the issuance of duplicate receipts; to provide for the issuance, exchange and cancellation of non-negotiable receipts; providing for monthly reports on all cotton stored, and requiring an accounting for loose cotton; prescribing penalties for violation of this act; appropriating money for the carrying out of this act, and declaring an emergency."

The committee report was adopted.

Senator Clark here asked unanimous consent to present a motion in writing, but there was objection.

Senator Astin offered the following amendment:

Amend the caption of the bill, on page 1, line 13, by striking out all after the word "to," down to the word "license," and all after the word "license" down to the word "warehouses," in line 14.

Senator Wiley moved to table the amendment, and

Pending discussion, Senator Gibson asked unanimous consent to offer a concurrent resolution, but there was objection.

The motion to table the amendment was adopted by the following vote:

Yeas—16.

Brelsford.

Carter.

Clark.  
Collins.  
Darwin.  
Gibson.  
Greer.  
Hall.  
Harley.

Johnson.  
Lattimore.  
Nugent.  
Taylor.  
Townsend.  
Warren.  
Wiley.

Nays—10.

Astin.  
Bailey of DeWitt.  
Conner.  
Cowell.  
Hudspeth.

McGregor.  
Real.  
Terrell.  
Westbrook.  
Willacy.

Present—Not Voting.

Bailey of Harris. Morrow.  
McNealus.

Absent.

Watson.

Pending discussion, Senator Clark moved to make this bill a special order for September 23rd after the conclusion of the morning call.

Senator Clark moved the previous question on the motion to make the bill a special order, which, being duly seconded, was so ordered.

Senator Willacy made a point of order that the date for which the bill was proposed to be made a special order was beyond the constitutional limit of the Legislature.

Pending discussion, Senator Clark asked unanimous consent to withdraw the motion to make S. B. No. 6 a special order for September 23rd.

There was no objection, and the motion was announced withdrawn.

Senator Willacy then moved that the Senate rescind the vote by which S. B. No. 7 was made a special order for September 23rd, which motion was adopted.

Senator Willacy then moved that the pending business, S. B. No. 6, be suspended for the purpose of taking up and setting for a special order S. B. No. 7.

The motion was unanimously adopted.

Senator Willacy then moved that S. B. No. 7 be made a special order for September 21, 1914.

The motion was adopted.

Senator McNealus then made the following motion:

"I move that the Senate recess until 3 o'clock this afternoon, and at that hour go into executive session to consider appointments and nominations made by the Governor and not heretofore confirmed."

The motion was lost.

Action recurred on S. B. No. 6, and Senator Wiley asked unanimous con-

sent to offer a motion in writing, and there was objection.

Senator Gibson here moved to suspend the pending business, S. B. No. 6, for the purpose of his presenting a concurrent resolution, and moved the previous question on the motion.

The Senate refused to order the previous question.

Pending discussion, Senator Gibson withdrew the motion to suspend the pending business and asked unanimous consent to offer the resolution, but there was objection. He then renewed the motion to suspend the pending business, which motion was lost by the following vote:

Yeas—9.

Bailey of Harris.	Morrow.
Clark.	Real.
Cowell.	Terrell.
Gibson.	Townsend.
Johnson.	

Nays—16.

Astin.	Hudspeth.
Bailey of DeWitt.	Lattimore.
Carter.	McNealus.
Collins.	Taylor.
Conner.	Warren.
Darwin.	Westbrook.
Greer.	Wiley.
Hall.	Willacy.

Present—Not Voting.

McGregor.	Nugent.
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Absent.

Brelsford.	Watson.
Harley.	

#### ADJOURNMENT.

Pending discussion, Senator McNealus, at 12:15 o'clock p. m., moved that the Senate adjourn until 10 o'clock tomorrow morning, which motion was adopted.

#### FOURTEENTH DAY.

Senate Chamber,  
Austin, Texas,

Wednesday, September 9, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.	Bailey of DeWitt.
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Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	McNealus.
Clark.	Morrow.
Collins.	Nugent.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Hall.	Westbrook.
Harley.	Wiley.
Hudspeth.	Willacy.
Johnson.	

Absent.

Watson.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Carter.

#### EXCUSED.

On account of important business:

Senator Astin, for non-attendance, on last Saturday and Monday, on motion of Senator Terrell.

#### BILLS AND RESOLUTIONS.

Senator Gibson offered the following resolution:

S. C. R. No. 5: Whereas, The Legislature was called for the purpose of passing a warehouse bill to relieve the emergency situation brought about by the European wars, whereby the market for the cotton crop has been materially impaired; and

Whereas, Both houses have passed an emergency warehouse bill which is intended to relieve the situation, thereby discharging the duty imposed upon them; now, therefore, be it

Resolved, That the Senate, the House concurring, set Wednesday, September 17th, 12 o'clock m., as date for adjournment sine die.

The resolution was read, and

Senator Gibson moved that it be laid on the table subject to call.

Senator McNealus moved, as a substitute, that the resolution be tabled.

The substitute motion was adopted.

#### SIMPLE RESOLUTION.

By Senator Brelsford:

Resolved, That Miss Marie Scarborough be selected as the appointee to do stenographic work in the Senate by the Sen-

ator from El Paso, and that her per diem begin from this date.

The resolution was read and adopted.

Morning call concluded.

### SIMPLE RESOLUTION.

Senator Willacy called up, from the table, a simple resolution, introduced by him on Monday, dealing with moratorium legislation and best methods of handling present crisis in the cotton market, etc.

Senator Willacy offered the following amendment, which was read and adopted:

Amend the resolution by striking out the word "may" in line 33, page 123 of the Senate Journal of September 7, and substitute in lieu thereof the words "can not," and by striking out the word "but" in line 33 and substitute in lieu thereof the word "and."

Pending discussion, Senator Bailey of DeWitt made the point of order that the resolution was not germane for consideration since the subject matter of same had not been submitted by the Governor.

The Chair overruled the point of order.

After discussion the resolution was adopted.

### SENATE BILL NO. 6.

(Pending Business.)

Action recurred on Senate bill No. 6, pending at adjournment yesterday, and the Chair laid same before the Senate.

Senator Clark offered the following motion in writing:

I move that Senate bill No. 6 be re-committed.

Senator Clark moved the previous question on the motion, and the same being duly seconded was so ordered.

### HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 9, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following resolutions:

S. C. R. No. 4, Relieving the cotton situation.

H. C. R. No. 6, Providing for paying claims for printing Journals, etc.

Also, the House does not concur in Senate amendments to House bill No. 1, and requests a Free Conference Committee. The following members on the part of the House have been appointed: Calvin, Hill, Wortham, Rowell, and Tiltonson.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

### HOUSE BILL NO. 1—FREE CONFERENCE COMMITTEE ON.

Senator Gibson offered the following motion:

I move that the request of the House for a Free Conference Committee to adjust the differences between the House and the Senate on House bill No. 1 be granted, and that the following be elected to serve as the committee on the part of the Senate: Warren, Willacy, Collins, Hudspeth, Carter.

Senator Lattimore offered the following substitute for the above motion:

I move that the request of the House for a Free Conference Committee on House bill No. 1 be granted and that the Secretary of the Senate be instructed to cast the ballot of the Senate for the following members of the Senate as members of such committee: Warren, Willacy, Collins, Nugent, Wiley.

Senator Clark moved to table the substitute, which motion was adopted by the following vote:

Yeas—12.

Bailey of Harris.	Hudspeth.
Clark.	Johnson.
Conner.	Real.
Gibson.	Terrell.
Hall.	Townsend.
Harley.	Westbrook.

Nays—10.

Astin.	Greer.
Bailey of DeWitt.	Lattimore.
Brelsford.	McGregor.
Cowell.	Morrow.
Darwin.	Nugent.

Present—Not Voting.

Carter.	Warren.
Collins.	Wiley.
McNealus.	Willacy.
Taylor.	

Absent.

Watson.

Action recurred on the original mo-

tion by Senator Gibson, and the same was adopted.

Senator Lattimore made the point of order that the adoption of the above motion did not carry with it the election of the Free Conference Committee, but that it would require further action.

The Chair overruled the point of order.

#### OPINION BY CHAIR ON SENATE BILL NO. 9.

Senator Westbrook here asked the Chair for a ruling on the status of an amendment to S. B. No. 9, and made the following statement:

S. B. No. 9, being before the Senate on Friday, Senator Watson offered an amendment providing that the bill be amended by "striking out all after the enacting clause and insert in lieu thereof the following," which was, in reality, H. B. No. 1, the emergency warehouse bill; that following that action he (Senator Westbrook) offered, and had adopted, an amendment. On Monday, by motion of Senator Darwin, the Senate rescinded the vote by which the Watson amendment was adopted, and the (Watson) amendment tabled. The Chair was requested for an opinion as to whether or not the rescinding and tabling the Watson amendment carried with it the Westbrook amendment.

The Chair held that, since the amendment by Senator Westbrook had been adopted after the Watson amendment, which was a substitute for the original S. B. No. 9, the rescinding the vote by which it was adopted, and then tabling the amendment, would also carry with it the amendment by Senator Westbrook.

#### SENATE BILL NO. 6.

Action recurred on S. B. No. 6, the question being, acting under previous question, on the motion by Senator Clark to recommit the bill.

The motion was adopted by the following vote:

Yeas—17.

Carter.	Lattimore.
Clark.	Morrow.
Collins.	Real.
Conner.	Terrell.
Darwin.	Warren.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Johnson.	

Nays—8.

Astin.	Cowell.
Bailey of DeWitt.	Gibson.
Bailey of Harris.	McGregor.
Brelsford.	Townsend.

Present—Not Voting.

McNealus.	Taylor.
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Absent.

Hudspeth.	Watson.
Nugent.	

#### EXECUTIVE SESSION—TIME SET FOR.

Senator Taylor moved that the Senate go into executive session today at 3 o'clock p. m. for the purpose of considering appointments sent to the Senate by the Governor, except Notaries Public.

The motion was adopted.

#### HOUSE CONCURRENT RESOLUTION REFERRED.

The Chair had referred, after its caption had been read, the following resolution:

H. C. R. No. 6, referred to Finance Committee.

#### SENATE BILL NO. 5.

The Chair laid before the Senate, on second reading and regular order,

S. B. No. 5, A bill to be entitled "An Act creating a Department of Co-operative Cotton Marketing to be located at Austin, Texas, providing for necessary office room, equipments, examiners and clerical assistants; providing for the appointment of a Commissioner to be known as the Commissioner of Co-operative Cotton Marketing; providing for the organization of co-operative cotton marketing associations; prescribing duties of the Commissioner of Co-operative Cotton Marketing; defining the business of a co-operative cotton marketing association; providing for the general administration of the Department of Co-operative Cotton Marketing and of co-operative cotton marketing associations; providing for the appointment of examiners to examine said associations; imposing certain restrictions on the business of co-operative cotton marketing; creating

a guaranty fund; providing for liquidation of co-operative cotton marketing associations; providing for the issuance of participating certificates to be issued by co-operative cotton marketing associations; providing penalties; repealing all laws in conflict, and declaring an emergency."

### RECESS.

On motion of Senator Darwin, the Senate, at 11:55 o'clock a. m., recessed until 3 o'clock today.

### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.

### EXECUTIVE SESSION POSTPONED.

The time, 3 o'clock p. m., having arrived for the Senate to go into executive session, which time had been set for the Senate to hold executive session for the purpose of considering appointments by the Governor.

Senator Hudspeth moved that the time for the executive session be postponed until 4 o'clock today, which motion was adopted.

(Senator Lattimore in the chair.)

### SENATE BILL NO. 5.

Action recurred on the pending business, Senate bill No. 5.

Pending discussion, Senator Astin made the point of order that the provisions of the bill did not comply with the provisions of the proclamation of the Governor submitting the matter of warehouse legislation to the Legislature; that it was a cotton marketing measure and not a cotton warehouse measure.

The Chair (Senator Lattimore) sustained the point of order, holding, however, that it would be in order for the bill to be amended so as to comply with the provisions of the Governor's call.

Senator Wiley offered the following amendment:

Amend the caption of the bill as follows: Page 1, line 7, by inserting after the word "creating" the following: "a system of public bonded warehouses and."

The above amendment was read and

Senator Astin made the point of order that the bill could not be amended so as to change the purposes of the bill, etc., and since it had been held that the bill was not germane to the call of the Governor.

The Chair withheld a ruling on the point of order, pending further amendments.

Action recurred on the amendment, and Senator Astin moved to table same, which motion to table was lost by the following vote:

Yeas—4.

Astin.  
Hall.

Johnson.  
Terrell.

Nays—16.

Bailey of Harris.  
Brelsford.  
Clark.  
Conner.  
Cowell.  
Darwin.  
Gibson.  
Greer.

Harley.  
McGregor.  
McNealus.  
Real.  
Taylor.  
Townsend.  
Westbrook.  
Wiley.

Present—Not Voting.

Lattimore.

Warren.

Absent.

Bailey of DeWitt.  
Carter.  
Collins.  
Hudspeth.

Morrow.  
Nugent.  
Watson.  
Willacy.

The hour having arrived for executive session, 4 o'clock p. m., Senator Warren moved that the holding of the executive session be postponed until 5 o'clock today, which motion was adopted.

Action recurred on S. B. No. 5, the question being on the pending amendment, and the same was adopted.

Senator Real moved that the Senate recess until 5 o'clock today, which motion was adopted.

### AFTER RECESS.

At 5 o'clock p. m. the Senate was called to order by President Pro Tem. Warren.

### IN EXECUTIVE SESSION.

The Chair here announced that the hour, 5 o'clock p. m., had arrived, which time the Senate had designated to hold executive session. The Senate accordingly resolved itself into executive session.

In executive session the following confirmations were had:

To be Judge of the Special District Court of the Fifth Judicial District—W. T. Armistead of Marion county.

To be Judge of the Seventy-third Judicial District—W. F. Ezzell of Bexar county, to fill vacancy.

To be Judge of the Fifty-ninth Judicial District—M. H. Garnett of Collin county, to fill vacancy.

To be Judge of the Seventh Judicial District—Barney Briggs of Upshur county, to fill vacancy.

To be Criminal District Attorney for Harris county—Clarence Kendall of Harris county.

To be District Attorney of the Eighth Judicial District—Mayo W. Neyland of Hunt county.

To be members of various governing boards of educational and eleemosynary institutions, to fill vacancies for unexpired terms, as shown by their commissions:

To be members of the Board of Regents of the University of Texas: Will C. Hogg of Harris county, David Harrell of Travis county and J. W. Graham of Travis county.

To be member of the Board of Managers for the Confederate Home—W. M. Walton of Travis county.

To be members of the Board of Managers for the Confederate Woman's Home—James Keeble of Travis county and Pete Lawless of Travis county.

To be members of the Board of Trustees for the Deaf and Dumb Institute—like D. White of Travis county, Wm. Bohn of Travis county and A. W. Pfleger of Travis county.

To be member of the Board of Managers for the State Orphan Home at Corsicana—W. B. Gray of Navarro county.

To be member of the Board of Managers for the State Lunatic Asylum at Austin—Peter Schramm of Williamson county.

To be member of the Board of Managers for the Southwestern Insane Asylum at San Antonio—Atlee B. Ayres of Bexar county.

To be members of the Board of Regents for the State Normal Schools—Sam Sparks of Travis county and J. S. Kendall of Dallas county.

To be member of the State Board of Pharmacy—W. H. Cousins of Wichita county.

To be member of the State Board of Medical Examiners—Dr. E. M. Woods of Williamson county.

To be member of the Board of Pilot Commissioners for the Sabine-Neches Canal—Robert Morgan, Jr., of Orange county.

To be member of Governing Board of the Agricultural Experiment Stations—W. A. Tynes of Delta county.

To be member of the Industrial Accident Board—Jos. D. Sayers of Travis county, W. J. Moran of Tarrant county and O. P. Pyle of Bell county.

To be Dairy and Pure Food Commissioner—Claude O. Yates of Travis county.

To be member of the State Fire Insurance Commission—S. Wallace Inglish of Cooke county.

To be members of Board of Water Engineers—J. C. Nagle of Brazos county for the six year term, Jno. Wilson of Ward county for the four-year term and E. B. Gore of Hidalgo county for the two-year term.

#### ADJOURNMENT.

On motion of Senator Carter, the Senate, at 6:40 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

#### APPENDIX.

##### PETITIONS AND MEMORIALS.

Senator Lattimore presented a petition from citizens of Parker county requesting that the Legislature pass "stay" law for a period of twelve months.

##### COMMITTEE REPORTS.

Committee Room,  
Austin, Texas, September 9, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed Bills have carefully compared

S. B. No. 9, A bill to be entitled "An Act to amend Chapter 37 of the General Laws, enacted by the Thirty-third Legislature, First Called Session, July 21 to August 19, A. D. 1913, providing for the conduct of the business of a public warehouseman, describing what constitutes such warehouse and defining what shall be held to be public warehousemen; providing that all persons, firms, and corporations, or associations of persons shall obtain a permit

of authority from the Commissioner of Insurance and Banking, and defining the requisites of said permit, providing a bond for the public warehousemen; and providing that such public warehousemen shall issue negotiable and non-negotiable receipts for property stored in such warehouses, and vesting the supervision of such public warehouses in the Commissioner of Insurance and Banking, and defining his duty with reference to such warehouses, and directing said Commissioner to prescribe uniform public warehouse receipts for cotton; and requiring that any incumbrance on cotton stored in public warehouses shall be disclosed in the endorsement on the back of such negotiable receipt or certificate, and providing a penalty for failure to truthfully disclose such facts; preventing public warehousemen, by provisions inserted in their receipts, from limiting their liability under the law; providing for the negotiability of receipts issued; providing a penalty for public warehousemen who violate the provisions of this act; providing the conditions under which private warehousemen may conduct such business, and declaring an emergency,"

And find same correctly engrossed.

BRELSFORD, Chairman.

Committee Room,

Austin, Texas, September 8, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufacturers, to whom was referred

S. B. No. 10, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling, or operating a cottonseed oil mill, and of owning, controlling, or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cottonseed oil mill, from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures, and procedure for enforcing this act; prohibiting any interference with or restricting competition in the sale, handling, or marketing of cotton seed; giving all corporations engaged in the business of operating cottonseed oil mills, that now own, control or operate public gins nine months from the taking effect of this act, to sell or otherwise dispose of their gin properties and in-

terests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cottonseed oil mill business to be in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punishments, and procedure for all corporations and persons violating this act,"

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed.

COLLINS, Chairman.

## FIFTEENTH DAY.

Senate Chamber,  
Austin, Texas,

Thursday, September 10, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.	Harley.
Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	McGregor.
Clark.	McNealus.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Hall.	Wiley.

Absent.

Willacy.

Absent—Excused.

Morrow.  
Nugent.

Watson.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Johnson.

## EXCUSED.

On account of sickness:

Senator Morrow, indefinitely, on motion of Senator Harley.

Senator Nugent, for balance of this week, on motion of Senator Taylor.

On account of important business:

Senator Watson, for Tuesday, Wednesday and today and tomorrow, on motion of Senator Hudspeth.

Morning call concluded.

### SENATE BILL NO. 10.

The Chair laid before the Senate as pending business from yesterday, S. B. No. 5, by Senator Wiley.

Senator Gibson asked unanimous consent to suspend pending business and take up S. B. No. 8. There was objection.

Pending discussion Senator Terrell moved to suspend the pending business for the purpose of taking up, out of its order, S. B. No. 8.

Pending discussion on the above motion a message from the Governor was received, being presented by the Private Secretary to the Governor. The message went to the President's stand.  
(Senator Brelsford in the chair.)

Action then recurred on the pending motion, to suspend the pending business to take up S. B. No. 8.

Senator Townsend here asked unanimous consent that the pending business be suspended and that S. B. No. 10 be taken up, out of its order. There was objection.

Senator Townsend then moved, as a substitute, that the pending business be suspended and that S. B. No. 10 be taken up, out of its order.

Action recurred on the substitute motion, and

Senator Terrell moved to table the substitute motion, which motion to table was lost by the following vote:

Yeas—6.

Bailey of Harris.	Hudspeth.
Collins.	McGregor.
Gibson.	Terrell.

Nays—16.

Astin.	Harley.
Carter.	Johnson.
Clark.	Lattimore.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Townsend.
Greer.	Westbrook.
Hall.	Wiley.

Present—Not Voting.

Brelsford.	McNealus.
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S2—9

Absent.

Bailey of DeWitt. Willacy.  
Warren.

Absent—Excused.

Morrow. Watson.  
Nugent.

Action recurred on the substitute motion and the same was adopted by the following vote:

Yeas—18.

Astin.	Hall.
Bailey of DeWitt.	Harley.
Carter.	Johnson.
Clark.	Lattimore.
Collins.	Real.
Conner.	Taylor.
Cowell.	Townsend.
Darwin.	Westbrook.
Greer.	Wiley.

Nays—5.

Bailey of Harris.	McGregor.
Gibson.	Terrell.
Hudspeth.	

Present—Not Voting.

Brelsford.	McNealus.
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Absent.

Warren.	Willacy.
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Absent—Excused.

Morrow.	Watson.
Nugent.	

The Chair laid before the Senate on second reading.

S. B. No. 10, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling, or operating a cottonseed mill, and of owning, controlling, or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cottonseed oil mill, from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures, and procedure for enforcing this act; prohibiting any interference with or restricting competition in the sale, handling, or marketing of cotton seed; giving all corporations engaged in the business of operating cottonseed oil mills, that now own, control or operate public gins nine months from the taking effect of this act, to sell or otherwise dispose of their gin properties and interests, punishing domestic and foreign corporations having



no legal authority or permit to do a ginning or cottonseed oil mill business to be in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punishments, and procedure for all corporations and persons violating this act."

The committee report was adopted.

Senator Cowell offered the following amendment:

Amend the bill by striking out all of Section 7, beginning after the figure 7, on page 3, line 27, and inserting the following:

"All corporations, either domestic or foreign, which may now own, operate or control, either directly or indirectly, in violation of the term of this act, any public cotton gin or gins in this State shall be given three years from the taking effect of this act in which to dispose of such gins or their interests therein."

COWELL,  
LATIMORE.

The amendment was read, and Senator Conner offered the following amendment to the amendment:

Amend the amendment by adding to it the following:

"Provided that oil mills shall not under the provisions of the act operate cotton gins after April 1, 1915."

(President Pro Tem. Warren in the chair.)

#### MESSAGE FROM THE GOVERNOR.

The Chair here laid before the Senate the following message from the Governor, previously delivered to the Senate on today:

Governor's Office,  
Austin, Texas, September 10, 1914.

To the Senate and House of Representatives:

Pursuant to Section 40, Article 3, of the Constitution of Texas, and in harmony with paragraph 2 of the proclamation convening the Second Called Session of the Thirty-third Legislature, I present for your consideration the following additional subject, to wit:

An act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the

act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank and stating how and in what manner and where such reserve shall be maintained; prescribing that State banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State banking corporations which become members of a Federal reserve bank to conform to the Federal law as now or hereafter enacted and all rules and regulations promulgated relative thereto by lawful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State banks becoming members of a Federal reserve bank shall be required to conform to the provisions of law imposed upon national banks respecting limitations of liability and prohibitions against making purchases of or loans on stocks of such banks and, to withdrawal or impairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal Reserve Board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions and defining the terms of such discount; prescribing that the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or

other liquidating agency appointed; prescribing a limitation on loans which may be made to any individual, corporation, company or firm by a banking corporation chartered under the laws of this State; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State; prescribing the amount of indebtedness which may be created by a banking corporation chartered under the laws of this State, and declaring an emergency.

The purpose of submitting this subject for your consideration at this time is to conform the State banking laws to the Federal Reserve Act so that eligible State banks may be admitted to membership in the Federal Reserve Bank, and enable them to become members of the currency associations, organized as provided in the emergency currency acts passed by the Congress of the United States. The present State banking law has been gone over carefully by the Commissioner of Insurance and Banking, and with the assistance of the Attorney General's Department a bill has been carefully prepared which it is believed will accomplish the purposes desired at this time. I attach a copy of the bill referred to, together with a letter addressed to me and signed by office assistants of the Attorney General, with an explanation of the changes made. These are submitted as a part of my message herewith for convenience and ready reference of the members of the Legislature.

Respectfully submitted,

O. B. COLQUITT,  
Governor of Texas.

September 5, 1914.

Hon. O. B. Colquitt, Governor, Capitol.

Dear Sir: In connection with Mr. Collier, the Commissioner of Insurance and Banking, and several members of the House and Senate, the undersigned have prepared a bill for the purpose of conforming our State bank laws to the Federal Reserve Act, so that eligible State banks may be admitted to membership in the Federal Reserve Bank with as little explanation and trouble as possible, as well as for other purposes which will be named as we proceed in this explanation.

We will take up the bill, a copy of which we herewith transmit to you, and make an explanation of it in this com-

munication section by section, as follows:

Section 1. This section merely confers authority upon State banks and State bank and trust companies incorporated under the laws of this State to become members of a Federal Reserve Bank. It does not require that they do so, but merely confers the authority upon them so to do should they desire to take such action. This Department has heretofore held that they now have that authority, but since the matter is now before the Legislature it has been thought best to confer this authority by an express provision of law.

Sec. 2. This section is a preliminary section for the purpose of explaining the meaning of Sections 3 and 4, and defines what are "demand" and what are "time deposits" in the language of Section 19 of the Federal Reserve Act.

Sec. 3. This section amends in effect Article 377, Revised Statutes, or what is Section 8 of Collier's Digest of State Banking Laws. Under the present law on the subject a State banking corporation must maintain at least a 25 per cent reserve of its demand deposits. This section leaves this law unchanged in this respect as to all State banks having a capital stock of \$15,000 and less, and which do not become members of a Federal Reserve Bank. As to those State banks, however, which have a capital stock exceeding \$15,000, but which do not become members of a Federal Reserve Bank, the reserve requirement is reduced from 25 per cent to 15 per cent of their demand deposits. Our existing law with reference to the place at which the reserves above referred to shall be kept is that they be kept on hand or payable on demand in any banking association approved by the Commissioner for such purpose, etc.; while in this section we require as to those banks which are required to maintain a 25 per cent reserve that ten-twenty-fifths of it shall be actual cash in the bank and the remaining fifteen-twenty-fifths may be placed in a bank or banks approved for such purpose by the Commissioner; and as to those banks required to maintain only a 15 per cent reserve six-fifteenths may be placed in the bank or banking corporations approved for such purpose by the Commissioner. Section 3, as suggested above, relates only to banking corporations which do not become members of a Federal reserve bank.

Sec. 4. This section governs the reserves of State banks which become members of a Federal reserve bank, and is a

substantial copy as to Subdivisions "a" and "b" thereof of Subdivision "a" and "b" of Section 19 of the Federal Reserve Act. Subdivision "c" of Section 19 of the Federal Reserve Act was omitted from this section of this proposed law for the reason that it relates only to central reserve cities, and we have none such in this State. Subdivision "c" of this section, however, is a subdivision written by us, in order to confer upon State banks the privileges set forth in the State bank paragraph of Section 19 of the Federal Reserve Act, and for the purpose of conferring authority upon State banks which become members of a Federal reserve bank to conform to the Federal law and all rules and regulations promulgated relative thereto by lawful authority. Subdivision "d" of this section of this bill is placed therein to make the same conform to the Federal law as to the kind and character of money which may be used for reserve purposes by those banks which become members of a Federal reserve bank.

Sec. 5. This section is a paraphrase of paragraph 4 of Section 9 of the Federal Reserve Act and is placed herein for the purpose of conforming our law as to banks which enter the Federal reserve system to the Federal law.

Sec. 6. This section down to the middle of the first paragraph thereof, ending with the word "indebtedness," is the same as Article 570, Revised Statutes. The last portion of this paragraph, beginning with the word "provided," has been added for the purpose of enabling State banks which enter the Federal reserve system to pledge their collateral to the Federal reserve bank of which they may become members under such terms as the Federal Reserve Board may prescribe, and this is a right which they would not have unless the provisions referred to are retained in this manner.

The second paragraph, beginning with the word "should" and ending with the word "same," is a mere regulation placed in the bill in order that the Commissioner may be informed at once when a State bank pledges securities in excess of 50 per cent greater than the amount borrowed thereon to a Federal reserve bank.

The third paragraph of this section, beginning with the words "a State bank" and ending with the words "a Federal reserve bank," is a substantial paraphrase of the first portion of the second paragraph of Section 13 of the Federal Reserve Act, and is necessary to be sub-

stantially in the language of that portion of said section for the purpose of enabling State banks to obtain money from the Federal reserve bank of which they may be members upon the terms which such Federal reserve banks are authorized to advance money to their members.

The fourth paragraph of this section provides that the lien and rights obtained by a Federal reserve bank upon the discount to it of any collateral by a member State bank shall be a first and preference lien. This is merely a statutory declaration of the law as it now exists as construed by the Commissioner of Banking and by this Department. The propriety and advisability, however, of making this rule statutory arises from the language of Article 487, Revised Statutes, which reads as follows:

"The State shall have, for the benefit of the depositors' guaranty fund, a first lien upon all assets of such bank or trust company and all liabilities owing or accruing to such bank or trust company in the event of the closing, as provided by law, of any such State bank or trust company operating under the depositors' guaranty fund plan; which lien shall attach and be in force from the time such bank or trust company is legally closed upon all the property and assets then in possession of such bank or trust company; provided, however, that any deposits on which said bank was paying interest and any other deposits or debts not insured under this chapter, and which are entitled to share in the assets shall share in the dividends and proceeds of such assets and collections pro rata or as may be provided by law."

Construing this article this Department, in an opinion prepared at the suggestion of the Secretary of the Treasury of the United States, held that State banks had the right to enter the Federal reserve system, and that this article was not intended to limit the right to create a contractual first lien and that it did not do so, and that, therefore, it did not prohibit a State bank from granting the first lien to the Federal reserve bank upon collateral pledged with the latter. Concerning that matter we said:

"Attention has been called to this article with a request for its construction. The lien there given the State for the benefit of the depositors' guaranty fund is necessarily subordinate to any other existing lien, whether stat-

utory or contractual, and the provision of Section 6 of the Federal Reserve Act is, in effect, a superior statutory lien on the stock issued by a Federal reserve bank and owned by a State bank, and is superior to the lien referred to in Article 487. In the practical operation of the depositors' guaranty fund of this State, the Commissioner has followed the provisions of Article 470, and this being the construction placed by him on Articles 470 and 487, Revised Statutes, such construction will not be disturbed. With this construction we agree. Therefore, in no event could these provisions interfere with the provisions of the Federal Reserve Act for the protection of debts due a Federal reserve bank by a member bank, incorporated under the laws of Texas."

However, to set the whole question permanently at rest we have incorporated in this proposed law the fourth paragraph of Section 6 as above referred to.

Sec. 7. This section is placed in this measure for the purpose of conforming the State law, relative to banks which become members of a Federal reserve bank to Section 6 of the Federal Reserve Act, and it is a substantial paraphrase of the latter.

Sec. 8. This section is an amendment of and is intended to take the place of Article 539, Revised Statutes. Under this article banking corporations incorporated under the laws of this State are permitted to loan as much as 25 per cent of their capital to one person or corporation. This section changes this law in the respects which we will note. It limits all loans to any one individual, corporation, company or firm to 10 per cent of the capital of the bank, and it provides that all loans to members of an unincorporated company or firm shall be considered as if they were loans to such company or firm in determining the loan limitation. In both the respects above suggested the measure is written to conform to Section 5200, Revised Statutes of the United States, as amended in 1906, which defines the loan limitation of national banking associations. It follows our present law, as well as the national banking law in permitting the unimpaired surplus fund to be considered as a part of the capital stock for the purposes of this loan limitation section.

This section also provides that in no event shall any such loan exceed 30

per cent of the authorized capital stock of the bank. This particular provision is not found in our present law, but we have taken it from Article 5200, United States Statutes, for the purpose of making the State law conform to the national law on this subject. We provide, however, in this section that existing loans made in good faith and renewals thereof shall not be considered as loans in violation of this section for a period of two years after this act becomes effective. This provision has been placed therein for the reason that there are now many existing loans made in excess of 10 per cent of the capital of the lending bank, and it is believed by the Commissioner that it will take approximately two years to reduce these existing loans, and renewals thereof, to the maximum of 10 per cent. The measure, however, will effectively prevent any additional loans in excess of the 10 per cent limit, but it will not affect any existing loans or renewals thereof for a period of two years. The balance of this section is a copy of Article 539, Revised Statutes.

Sec. 9. This section is not an amendment of Article 522, of which a portion of it is a copy, except to the extent that it authorizes the Commissioner of Insurance and Banking in the event the national government should insist on making examinations of State banks which become members of a Federal reserve bank to make only two general examinations, instead of four, as required by the law generally for State banks. The purpose of this is to avoid the expense and necessity of the Commissioner making four examinations, it being believed that when the Comptroller of the Currency makes two, that two will be sufficient on the part of the Commissioner, he still retaining his right under this section and under the general law to make special examinations when he desires, and still requiring all such banks under the general law to make reports five times each year.

The Commissioner has some hope that the Comptroller of the Currency will accept examinations and reports made by the State bank examiners and for this reason authority is conferred upon the Commissioner and his State bank examiners to forward reports to the Comptroller of the Currency. This section is purely cumulative of other laws on the statute books.

Sec. 10. This section merely conforms the State law to Article 5202,

Revised Statutes of the United States, as amended by the Act of December 23, 1912. (Paragraph 85, Federal Reserve Act.) It limits the indebtedness which a State bank may create. We have no law upon this subject now, except the general corporation law, which is applicable to banks and limits their indebtedness to the amount of their capital stock. This section is a copy of Article 5202, Revised Statutes of the United States, as amended, except that that statute permits the issuance of notes of circulation, while this right is not retained or granted to our State banks.

Sec. 11. Section 11 is merely a general section granting general authority to the State banks which enter the Federal reserve system to conform to the Federal Reserve Act and all rules and regulations promulgated relative thereto by lawful authority.

Sec. 12. This is the emergency clause.

Respectfully submitted,  
C. W. TAYLOR,  
C. M. CURETON,  
Assistants Attorney General.

#### A BILL

#### To Be Entitled

An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank, and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank, and stating how and in what manner and where such reserve shall be maintained; prescribing that State banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State banking corporations which become members of a Federal reserve bank to conform to the Federal law as now or hereafter enacted and all rules and regulations promulgated relative thereto by law-

ful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State banks becoming members of a Federal reserve bank shall be required to conform to the provisions of law imposed upon national banks respecting limitations of liability and prohibitions against making purchases of or loans on stocks of such banks and, to withdrawal or impairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal Reserve Board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions and defining the terms of such discount; prescribing that the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or other liquidating agency appointed; prescribing a limitation on loans which may be made to any individual, corporation, company or firm by a banking corporation chartered under the laws of this State; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State; prescribing the amount of indebtedness which may be created by a banking corporation chartered under the laws of this State, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. All banks or bank and trust companies incorporated under the laws of Texas shall have authority to become members of Federal reserve banks

under such terms and conditions as may be prescribed by the laws of the United States and such rules and regulations relative thereto as may be promulgated by lawful authority.

Sec. 2. Demand deposits within the meaning of this act shall comprise all deposits payable within thirty days, and time deposits shall comprise all deposits payable after thirty days and all savings accounts and certificates of deposit which are subject to not less than thirty days' notice before payment.

Sec. 3. Every banking corporation chartered under the laws of this State with a capital stock of \$15,000 or less, and which does not become a member of a Federal reserve bank under the laws of the United States, shall at all times have an amount of cash on hand and cash due from other banks equal to at least 25 per cent of the aggregate amount of its demand deposits, ten-twenty-fifths of which shall be actual cash in the bank. All such banks having a capital stock in excess of \$15,000 shall at all times have an amount of cash on hand and cash due from other banks equal to at least 15 per cent of the aggregate amount of its demand deposits, six-fifteenths of which shall be actual cash in the bank. Whenever the reserve of any bank as hereinbefore required shall fall below the amount specified above for its class, then such bank shall not make any new loans or discounts until it shall by collections restore its lawful reserve. Fifteen-twenty-fifths of the reserve fund of a bank with a capital stock of \$15,000 or less, or any part thereof, or nine-fifteenths of the reserve fund of a bank with a capital stock in excess of \$15,000 or any part thereof, together with the current receipts, may be kept on hand or on deposit payable on demand in any bank or banking association of the State of Texas, or any bank, banking association or trust company regularly chartered and operating under the laws of any State or under the laws of the United States, approved by the Commissioner of Insurance and Banking, and having a paid-up capital stock of \$50,000 or more; but the deposit in any one bank or trust company shall not exceed 20 per cent of the total deposits, capital and surplus of the bank making the deposit.

Sec. 4. All banks and banking corporations chartered by the laws of this State which become members of a Federal reserve bank under the Federal Reserve Act, shall as to their reserves be governed as follows:

(a) A bank not in a reserve or central reserve city as now or hereafter defined by the laws of the United States or designated by the Comptroller of the Currency of the United States shall hold and maintain reserves equal to 12 per centum of the aggregate amount of its demand deposits and 5 per centum of its time deposits, as follows:

In its vaults for a period of thirty-six months after the Secretary of the Treasury of the United States has officially announced the establishment of a Federal reserve bank in the district of which is located the subscribing member bank, five-twelfths thereof and permanently thereafter four-twelfths.

In the Federal reserve bank of its district for a period of twelve months after said date two-twelfths, and for each succeeding six months an additional one-twelfth, until five-twelfths have been so deposited, which shall be the amount permanently required.

For a period of thirty-six months after said date the balance of the reserve may be held in its own vaults or in the Federal reserve bank, or in national banks in reserve on central reserve cities as now defined by the laws of the United States.

After said thirty-six months' period said reserve other than those hereinbefore required to be held in the vaults of the member bank and in the Federal reserve bank, shall be held in the vaults of the member bank or in the Federal reserve bank, or in both, at the option of the member bank.

(b) A bank in a reserve city, as now or hereafter defined by the laws of the United States or designated by the Comptroller of the Currency, shall hold and maintain reserves equal to 15 per centum of the aggregate amount of its demand deposits, and 5 per centum of its time deposits, as follows:

In its vaults for a period of thirty-six months after the date of the establishment of the Federal reserve bank of which any bank chartered under the laws of this State may become a member, six-fifteenths thereof and permanently thereafter five-fifteenths.

In the Federal reserve bank of its district for a period of twelve months after the date aforesaid at least three-fifteenths, and for each succeeding six months an additional one-fifteenth, until six-fifteenths have been so deposited, which shall be the amount permanently required.

For a period of thirty-six months after said date the balance of the re-

serve may be held in its own vaults, or in the Federal reserve bank, or in national banks in reserve or central reserve cities as now defined by law.

After said thirty-six months' period all of said reserves, except those hereinbefore required to be held permanently in the vaults of the member bank and in the Federal reserve bank, shall be held in its vaults or in the Federal reserve bank, or in both, at the option of the member bank.

(c) Provided, however, that notwithstanding the limitations in paragraphs (a) and (b) of this section, State banks becoming members of a Federal reserve bank shall have all the rights permitted them under the Federal Reserve Act, as to reserve deposits with State banks and trust companies; provided further, that State banks becoming members of a Federal reserve bank shall have authority to conform to the Federal law now, or as hereafter enacted, and all rules and regulations promulgated relative thereto by lawful authority, and shall likewise be subject to all limitations of law and of such rules and regulations now or hereafter enacted or promulgated.

(d) The kind and character of money which may be held as reserve by banking corporations incorporated under the laws of this State and which become members of a Federal reserve bank, shall be the same as that required of national banks under the laws of the United States.

Sec. 5. A State bank becoming a member of a Federal reserve bank shall in addition be required to conform to the provisions of law imposed upon national banks respecting the limitations of liability which may be incurred by any person, firm or corporation to such banks, the prohibition against making purchases of or loans on stock of such banks, and the withdrawal or impairment of capital, the payment of unearned dividends, and of such rules and regulations as the Federal Reserve Board may, in pursuance of the Federal Reserve Act, prescribe.

Sec. 6. It shall be unlawful for any bank to hypothecate or pledge as collateral security for money borrowed upon bills payable, certificates of deposit or otherwise, its securities to an amount greater than 50 per cent in excess of the amount borrowed thereon, or for any banking corporation to issue and execute any notes, bills or other evidences of indebtedness secured, or to be secured, by the pledge or hypothe-

cation of any of its securities, which shall not contain a provision that in the event such banking corporation shall, for any cause, have its property and business taken possession of by the Commissioner, at any time, before such pledge or hypothecation shall have been actually foreclosed, a grace of thirty days after date of such taking possession shall be allowed in which such bank or the Commissioner shall be permitted to redeem such securities so hypothecated or pledged by the payment of the amount due as principal and interest on such indebtedness; provided, however, that banking corporations, incorporated under the laws of this State, upon becoming members of a Federal reserve bank, shall not be required to insert the thirty days' grace clause in their note, bill or certificate of deposit made to a Federal reserve bank, should a Federal reserve bank decline to permit the insertion of such thirty days' grace clause in a note, bill or certificate of deposit accepted by it from such member bank; and provided further, that collateral to a greater extent than 50 per cent in excess of the amount borrowed thereon may be hypothecated or pledged to secure money borrowed from a Federal reserve bank, should it so require.

Should the securities of any State banking corporation be hypothecated or pledged to an amount in excess of 50 per cent greater than the amount borrowed thereon, it shall be the duty of the officers of such bank to immediately notify the Commissioner, giving amount of money borrowed, and amount of securities hypothecated or pledged to secure same.

A State bank becoming a member of a Federal reserve bank shall have the right to discount to a Federal reserve bank notes, drafts and bills of exchange arising out of actual commercial transactions and to endorse the same with a waiver of demand, notice and protest and to do any other thing necessary under the Federal Reserve Act or rules and regulations relative thereto promulgated by lawful authority, in order to obtain all the benefits and privileges of membership in a Federal reserve bank.

The lien and rights obtained by a Federal reserve bank upon the discount to it of any such notes, drafts and bills of exchange shall be a first and preference lien thereon.

Sec. 7. If any State bank which is a member of a Federal reserve bank

shall be declared insolvent and a receiver appointed therefor or other agency for the liquidation of its affairs and the payment of its debts, the stock held by it in the said Federal reserve bank may be canceled without impairment of its liability and all cash paid subscriptions on said stock with one-half of 1 per cent per month from the period of last dividend, not to exceed the book value thereof, may be first applied to all the debts of said insolvent member bank to the Federal reserve bank, and the balance, if any, paid to the receiver of the insolvent bank or other agency for its liquidation, as provided for in Section 6 of the Federal Reserve Act.

Sec. 8. No incorporated bank nor trust company chartered under the laws of this State shall loan its money to any individual, corporation, company or firm, directly or indirectly, or permit any individual, corporation, company or firm to become at any time indebted or liable to it in a sum exceeding 10 per cent of its capital stock actually paid in, or permit a line of loans or credits to any greater amount to any individual, corporation, company or firm; all loans to the members of any unincorporated company or firm shall be considered as if they were loans to such company or firm in determining the limitation here prescribed; a permanent surplus, the setting apart of which shall have been certified to the Commissioner of Insurance and Banking, and which can not be diverted without due notice to said officers, may be taken and considered as a part of the capital stock for the purposes of this section; provided, however, that in no event shall any such loan exceed 30 per cent of the authorized capital stock of said bank; provided further, that existing loans made in good faith and renewals thereof shall not be considered loans in violation of this section for a period of two years after this act becomes effective; provided, that the provisions of this section shall not be construed as in anywise to interfere with the rules and regulations of any clearing house association in this State in reference to the daily balances between banks; provided, that this section shall not apply to balances due from correspondents subject to draft; and provided further, that the discount of the following classes of paper shall not be considered as money borrowed within the meaning of this section, viz:

(a) The discount of bills of exchange,

drawn in good faith, against actual existing values.

(b) The discount of paper upon the collateral security of warehouse receipts, covering agricultural and manufactured products in store in elevators and warehouses, under the following conditions: First, that the actual market value of the property held in store and covered by such receipts shall, at all times, exceed by at least 25 per cent the amount loaned upon the same; second, that the full amount of the loans shall at all times be covered by policies of fire insurance issued by companies admitted to do business in this State, to the extent of their ability to cover such loans; and all such policies shall be made payable in case of loss to the bank or holder of the warehouse receipts.

Sec. 9. It shall be the duty of the Commissioner of Insurance and Banking, at least once in each quarter of each calendar year, to cause each banking corporation incorporated under the laws of this State to be thoroughly and fully examined; provided, however, that as to such banking corporations as shall become members of a Federal reserve bank, should the Federal Reserve Board or the Comptroller of the Currency insist upon making examinations of such banking corporations by national bank examiners, then the Commissioner of Insurance and Banking shall be required to make or cause to be made but two regular examinations of such banking corporations during any one year; provided, further, that the Commissioner shall have power to make special examinations of any State banking corporation at any time in his discretion.

The Commissioner of Insurance and Banking, or any State bank examiner, at his direction, shall be authorized at any time to forward to the Comptroller of the Currency or the Federal Reserve Board, copies, or certified copies of a State bank examiner's report of any regular or special examination made of any banking corporation which has or shall become a member of a Federal reserve bank.

The provisions of this section shall be cumulative of any other laws now upon the statute books of this State in respect to this subject.

Sec. 10. No banking corporation incorporated under the laws of this State shall at any time be indebted or in any way liable to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except



on account of demands of the nature following:

(a) Moneys deposited with or collected by it.

(b) Bills of exchange or drafts drawn against money actually on deposit to the credit of the corporation or due thereto.

(c) Liabilities to the stockholders of the association for dividends and reserve profits.

(d) Liabilities incurred under the provisions of the Federal Reserve Act.

Sec. 11. Any bank incorporated under the laws of this State which becomes a member of the Federal reserve bank shall have authority to conform to the Federal Reserve Act as the same now exists, or as it may hereafter be amended, and such rules and regulations as the Federal Reserve Board may prescribe in order to entitle it to membership in a Federal reserve bank.

Sec. 12. The importance of the legislation proposed in this act and the necessity of conforming the laws of this State to the laws of the United States in order to provide sufficient currency to relieve the financial situation obtaining in this State, as well as in the country generally, creates an emergency and an imperative public necessity requiring that the constitutional rule providing that bills shall be read on three several days in each house shall be suspended and said rule is so suspended, and this act shall take effect from and after its passage, and it is so enacted.

## BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senator Clark:

S. B. No. 11, A bill to be entitled "An Act to prohibit any person, firm or association of persons, operating a cottonseed oil mill in this State, or any member, agent or employee of either from owing, operating or holding any character of interest in a public cotton gin in this State; also to prohibit any officer, director, agent or employee of any corporation operating a cottonseed oil mill in this State from owning, operating or holding any character of interest in a public cotton gin in this State, providing the time the act shall become effective and fixing penalties."

Read first time and referred to the Committee on Commerce and Manufactures.

By Senators Bailey of DeWitt, Hall, Willacy, Cowell, Nugent and Terrell:

S. B. No. 12, A bill to be entitled "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank and stating how and in what manner and where such reserve shall be maintained; prescribing that State banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State banking corporations which become members of a Federal reserve bank to conform to the Federal law as now or hereafter enacted and all rules and regulations promulgated relative thereto by lawful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State banks becoming members of a Federal reserve bank shall be required to conform to the provisions of law imposed upon national banks respecting limitations of liability and prohibitions against making purchases of or loans on stocks of such banks, and, to withdrawal or impairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal Reserve Board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions and defining the terms of such discount; prescribing that

the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or other liquidating agency appointed; prescribing a limitation on loans which may be made to any individual, corporation, company or firm by a banking corporation chartered under the laws of this State; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State; prescribing the amount of indebtedness which may be created by a banking corporation chartered under the laws of this State, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

#### RECESS.

On motion of Senator Clark the Senate, at 12:30 o'clock p. m., recessed until 3 o'clock today.

#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.

#### SENATE BILL NO. 10.

Action recurred on S. B. No. 10, the pending business, the question being on the amendment by Senator Conner to the amendment by Senator Cowell.

Senator McGregor offered the following substitute for both the amendment and the amendment to the amendment:

Amend the bill by striking out Section 7.

(Senator Hudspeth in the chair.)

Action recurred on the substitute, and Senator Carter moved to table same, which motion to table was adopted.

(President Pro Tem. Warren in the chair.)

Action then recurred on the amendment to the amendment, and Senator Cowell moved to table same, which motion to table was adopted by the following vote:

Yeas—14.

Bailey of DeWitt.	Harley.
Bailey of Harris.	Johnson.
Cowell.	Lattimore.
Darwin.	McNealus.
Gibson.	Real.

Taylor.  
Terrell.

Warren.  
Westbrook.

Nays—11.

Astin.  
Brelsford.  
Carter.  
Clark.  
Collins.  
Conner.

Greer.  
Hudspeth.  
McGregor.  
Townsend.  
Wiley.

Present—Not Voting.

Willacy.

Absent.

Hall.

Absent—Excused.

Morrow.  
Nugent.

Watson.

Action recurred on the original amendment, and Senator Real offered the following amendment to the amendment:

Amend the amendment by striking out the word "three" and insert in lieu thereof the word "two."

Pending.

(Senator Townsend in the chair.)

#### FREE CONFERENCE COMMITTEE REPORT ON HOUSE BILL NO. 1.

Senator Warren here offered the following report, on part of the Free Conference Committee, on House bill No. 1:

Committee Room,

Austin, Texas, September 10, 1914.

Hon. Chester H. Terrell, Speaker of the House of Representatives, and Hon. Robert L. Warren, President Pro Tem. of the Senate.

Sirs: We, your Free Conference Committee, to whom was referred House bill No. 1 with Senate amendments thereto, have had same under consideration at a session of said committee and beg leave to report it back to the Senate and House with the recommendation that it do not pass, but that the accompanying Free Conference Committee substitute for said House bill No. 1 do pass in lieu thereof.

WARREN,  
WILLACY,  
CARTER,  
COLLINS,  
HUDSPETH,

On the part of the Senate.

CALVIN,  
WORTHAM,  
HILL,  
ROSWELL,  
TILLOTSON.

On the part of the House.

FREE CONFERENCE COMMITTEE  
SUBSTITUTE FOR HOUSE BILL

NO. 1.

A BILL

To Be Entitled

An Act to preserve the credit of the citizens of the State of Texas generally and to prevent the sacrifice of a large part of the products of its industry; to assist in maintaining the solvency of the banks chartered by the State and to preserve intact the depositors' guaranty fund; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency which may be issued by the national government and generally to preserve the credit and industrial and financial integrity of the State; authorizing and requiring the Commissioner of Insurance and Banking to establish a State warehouse system for the storing of cotton in bales, wheat in elevators, and other products of industry; prescribing the terms and conditions and rules and regulations under which such officer shall establish said warehouse system, conferring certain authority upon him with reference thereto, and conferring authority upon counties, incorporated cities and towns, to contribute to the cost and expense of such system in their respective locations; authorizing such counties, cities and towns to expend certain funds in establishing warehouses for use as State warehouses and prescribing certain regulations relative thereto; and conferring authority upon private corporations to make contributions for such purpose; authorizing the Commissioner to appoint managers at each local warehouse and prescribing the conditions under which such appointments shall be made; fixing the bond and defining the duties of such managers; prescribing the terms and conditions of warehouse receipts to be issued by the managers of warehouses established by the Commissioner of Insurance and Banking and prescribing when and under what conditions such receipts may be issued and when duplicates may be issued; defining negotiable and non-negotiable

receipts; and defining certain purposes for which said receipts may be used; prescribing when property placed in State warehouses shall be delivered upon the surrender of receipts and all terms and conditions, rules and regulations governing State warehouses established by the Commissioner of Insurance and Banking; defining the liability of the State as a public warehouseman and permitting suits to be brought against it as such, and prescribing the venue thereof; prescribing that the Commissioner of Insurance and Banking shall fix the charges for storage, authorizing the Commissioner of Insurance and Banking to have all products stored in State warehouses insured; defining what character of building may be used for warehouse and storage purposes; providing for the appointment of warehouse examiners by the Commissioner of Insurance and Banking, prescribing their duties, conferring authority upon the Commissioner of Insurance and Banking to have State warehouses examined by State Bank Examiners, providing how the warehouseman's lien provided for in this act may be satisfied; stating when and under what conditions the Commissioner of Insurance and Banking shall cease to receive cotton in storage under this act; defining the standard of weights and measures and classifications to govern the Commissioner in administering this act; creating certain penal offenses to secure the enforcement of this act and prescribing penalties therefor; making an appropriation to carry out the provisions of this act, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas.

Section 1. It is declared that this act is an emergency measure, made necessary by the conditions brought about by the wars on the continent of Europe.

The purpose of this act is to preserve the credit of the citizens generally of the State; prevent the sacrifice of a large part of the products of its industry now impending due to the calamities and exigencies of war; to assist in maintaining the solvency of the banks chartered by the State of Texas, and preserve intact the depositors' guaranty fund; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values main-

tained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued by the national government, or other relief issues of money or currency made by the national government or authorized to be made by it; and generally to preserve the credit and industrial and financial integrity of the State.

Sec. 2. This act shall be administered by the Commissioner of Insurance and Banking. To aid him in his work he is empowered to appoint a chief clerk of the warehouse division of his department, who shall perform the duties usually incident to that character of position and such duties as may be assigned him by the Commissioner. Such chief clerk shall be paid the sum of (\$200.00) two hundred dollars per month for the time that he is employed by said Commissioner. The Commissioner of Insurance and Banking shall also have authority to employ such clerks, stenographers, experts, examiners and such other help as may be necessary in carrying out the provisions of this measure. All those employed by the Commissioner for any purpose shall receive such salary and compensation as may be fixed by him, except as herein otherwise provided, and in addition thereto, shall, when traveling on official business receive their actual necessary traveling expenses; provided further that the salary and compensation of each clerk or employee, other than the chief clerk, shall not exceed the amount of (\$166.66 2-3) one hundred and sixty-six and two-thirds dollars per month for the time that he is employed by said Commissioner of Insurance and Banking.

Sec. 3. As soon as this act goes into effect the Commissioner acting as trustee for the State, may establish by renting or leasing in each town or city in this State, whether incorporated or unincorporated, and at such other places, where the demand therefor is reasonably sufficient to justify the outlay, a State warehouse for the storage of cotton in the bale, and shall store the same and issue receipts therefor in the manner herein provided. No liability shall be incurred on behalf of, and no debt created against the State by reason of the lease or operation of any warehouse in excess of the amount herein appropriated. It being hereby declared to be the policy of the State in the enactment of this legislation that the lease and

operation of said warehouses shall be upon such terms and conditions that the revenue derived from the operation thereof shall be sufficient to pay the cost of the lease and operation of such warehouses.

Before establishing any warehouse hereunder in any incorporated city or town and at such other places, the Commissioner may, in his discretion, require such city or town to agree to pay and to pay all or any part of the cost of establishing and operating such warehouse; and authority is hereby conferred upon all incorporated cities and towns and villages and any county of this State to appropriate and use as much of their general funds as may be necessary for such purpose. The Commissioner may also, in his discretion, before establishing any warehouse hereunder at any place require the citizens of such place, represented by some responsible body or committee, to agree to pay and to pay all or any part of the cost of establishing and operating such warehouse, and authority is hereby conferred upon all private corporations, chartered under the laws of the State of Texas, to contribute so much of their funds as may be necessary for such purpose, in aiding the citizens of any particular place to obtain in the manner suggested the establishment and maintenance of a warehouse under this act.

Sec. 4. Each warehouse shall be in charge of a manager to be appointed by the Commissioner, as hereinafter directed, who shall be competent to keep the books required to be kept and to grade and classify cotton. The manager shall give bond payable to the State at Austin, Texas, in the sum of not less than (\$2500) two thousand five hundred dollars and not more than (\$25,000) twenty-five thousand dollars to be fixed by the Commissioner of Insurance and Banking, graduated according to the capacity of the warehouse or warehouses in charge of said manager. The bond of the manager shall be conditioned for the faithful and competent discharge of his duties under this act, and shall be in form drawn by the Attorney General. The manager of any warehouse or warehouses established or provided under the provisions of this act shall receive such salary as may be approved or determined by the Commissioner, and such manager shall be authorized to employ such assistants as may be approved by said Commissioner.

Whenever any incorporated city, town or any county shall appropriate out of

their general revenue sufficient sums to establish or provide any warehouse or warehouses, the city council of such town or city, or the commissioners court of such county, as the case may be, shall by a majority vote and at a regular or special meeting nominate a manager for such warehouse or warehouses, and shall within ten days after such nomination certify his name to the Commissioner of Insurance and Banking for approval, and such person, if approved by the Commissioner, shall act as manager for such warehouse or warehouses.

Whenever any person or association of persons shall establish or provide any warehouse or warehouses for the purpose of leasing or renting the same to the Commissioner of Banking and Insurance under the provisions of this act, such person or association of persons shall nominate a manager for such warehouse or warehouses, and shall within ten days after such nomination certify his name to the Commissioner of Insurance and Banking for approval, and such person, if approved by the Commissioner, shall act as manager for such warehouse or warehouses.

Each such manager shall have a certificate signed by the Commissioner of Insurance and Banking, showing his appointment as manager which he shall keep displayed at his office at the warehouse.

Sec. 5. Warehouses established under this act shall be conducted under rules fixed by the Commissioner of Insurance and Banking in order to effectively carry out its provisions, and it shall be the duty of the Commissioner, as soon as may be after organizing this division of his department, to promulgate rules and regulations and forms by which the provisions of this law may be carried out.

Sec. 6. Each warehouse receipt issued hereunder shall bear the date of issuance and shall state upon its face the name and number of the warehouse and its location, the description, quantity, number, and marks of the cotton there stored, and shall state the class and weight of same, and the date on which it was originally received in the warehouse, and that it is deliverable upon the return of the receipt properly endorsed by the person to whose order it was issued and upon payment of all charges for storage and insurance, which charges shall be stated on the face of the receipt to secure all of which the State shall have a warehouseman's lien.

All such receipts shall be numbered

consecutively in the order of their issuance and shall state whether the cotton therein described is exposed to the weather or under shelter. A correct record of such receipts shall be kept in a well bound book, which shall be at all reasonable hours open to examination by any interested person.

No two receipts bearing the same number shall be issued from the same warehouse during the same year, nor shall any duplicate receipts be issued, except in the case of a lost or destroyed receipt, in which case a new receipt shall bear the same date and number as the original and shall be plainly marked on its face "duplicate." A receipt in which it is stated that the goods will be delivered to the recipient or to any other specified person is a non-negotiable receipt. A non-negotiable receipt shall have plainly placed upon its face by the manager issuing it "non-negotiable" or "not negotiable." A receipt in which it is stated that the goods will be delivered to the bearer or to the order of any person named in such receipt is a negotiable receipt.

In addition to other provisions each receipt shall have a blank form on the back thereof to be filled in and signed by the owner of the cotton, showing whether such cotton is free from landlord's lien or encumbrance of any kind. If there is any encumbrance or liens of any kind on said cotton at the time of its storage the nature and amount of the same shall be clearly set out and it is made the duty of the manager issuing the receipt to have said blank filled in and signed by the owner of the cotton before issuing a negotiable receipt for same; provided, if there is no encumbrance or lien that fact shall be shown in the statement; provided, however, such statement may not be made if a non-negotiable receipt is desired, and provided further if the cotton was grown on rented lands that fact shall be stated on the back of the receipt, together with the amount due the landlord for all rents and advances, the name and address of the landlord, and whether or not the cotton is being placed in the warehouse with the landlord's consent. When cotton grown on rented or leased premises is tendered for storage in a State warehouse, in addition to the foregoing requirements, all receipts issued therefor shall be issued jointly in the name of the tenant and of the landlord, showing their respective interests in such cotton, unless the tenant or person storing the same presents written

authority from the landlord or from the tenant, as the case may be, requesting the issuance of the receipt in the name of the one or the other.

If the person holding a non-negotiable receipt shall desire to obtain a negotiable receipt in lieu thereof he shall return said non-negotiable receipt to the warehouse issuing the same and thereupon shall comply in every respect with the provisions of this act relating to negotiable receipts, upon compliance with which a negotiable receipt shall be issued to him in lieu of said non-negotiable receipt and said non-negotiable receipt shall thereupon be cancelled and the word "cancelled" plainly marked or stamped in ink across the face thereof. No warehouse receipt shall be issued except on the actual previous delivery of the goods in the warehouse or on the premises and under the control of the manager thereof.

A duplicate shall not be issued until the same person applying therefor gives a bond equal to the value of the goods for which the same is issued, which bond shall be given under such rules and regulations as the Commissioner may prescribe.

Sec. 7. Upon the presentation and return to the warehouse of any public warehouse receipt issued by its manager and properly endorsed, and the tender of all proper warehouse charges upon the property represented by it, such property shall be delivered immediately to the holder of such receipt, but the manager of such warehouse who shall issue a receipt for cotton shall not, under any circumstances or upon any order or guaranty, deliver the property upon which receipts have been issued until such receipts have been delivered and cancelled, except in case of lost receipts; and upon any default in strict compliance with the terms of this article the manager shall be held liable not only to the State on his bond but to the lawful holder of the receipt for the full value of the property therein described; and shall further be liable to the special penalty herein provided.

Upon delivery of the goods in any warehouse, the receipt therefor shall be plainly marked or stamped in ink across the face thereof with the word "cancelled," together with the name of the manager cancelling the same, and shall thereafter be void and shall not again be put into circulation, but shall be filed for further inspection.

Sec. 8. The liability of the State shall be that of a public warehouseman

and suits may be brought against the State for any liability as such, either at Austin, in Travis county, Texas, or in the county in which is located the warehouse where the cause of action accrued; provided, however, that the weights, classes and grades of cotton stored in warehouses under this act are guaranteed by the State only in favor of those who may loan money on warehouse receipts issued hereunder as collateral, or those who hold evidence of debt originally secured by such warehouse receipts as collateral. And provided further that the State shall not be responsible for such fluctuations in weight as represents ordinary climatic conditions.

Service in all suits may be had upon the Commissioner of Insurance and Banking or upon the local manager of the warehouse at which the cause of action arose.

But in all instances before suit may be brought and maintained a statement of the claims, properly sworn to, giving the amount thereof, and the manner in which it arose, shall be delivered in person or by mail to the Commissioner of Insurance and Banking within ninety days after the accrual of the cause of action, or such notice may be given by delivering a copy of the same to the local manager of the warehouse at which the cause of action arose. No personal liability shall attach to the Commissioner of Insurance and Banking for any action done by him or by his managers under the terms of this act.

Sec. 9. A negotiable receipt issued against cotton stored in a warehouse under this act shall be negotiable and transferable by endorsement in blank or by special endorsement and delivery in the same manner and to the same extent as bills of exchange and promissory notes now are, without other formality; and the transferee or holder of such warehouse receipts shall be considered and held as an actual and exclusive owner to all intents and purposes of the property therein described, subject only to the lien and privilege of the warehouse for storage, insurance and other warehouse charges; provided, however, that all such warehouse receipts that shall have the words "non-negotiable" plainly marked or stamped on the face thereof shall be exempted from the provisions of this section.

The manager of each warehouse shall keep a carbon copy of each receipt, whether negotiable or non-negotiable, issued by him and which shall have print-

ed in large letters across the face of the same "Carbon Copy." Such carbon copy shall be of no value for any purpose, except as part of the records of the office of the manager issuing the same.

Sec. 10. All charges for storage shall be fixed by the Commissioner and need not be necessarily the same at all places, but shall be fixed by him, taking into consideration the amount of cotton, local conditions and necessities, the object in view being to collect a sufficient amount at each local warehouse to pay for its operation, but at the same time make the rates reasonable and just. The Commissioner shall in his rules and regulations prescribe when insurance, warehouse charges and other charges shall be due and payable.

Sec. 11. All cotton placed in warehouses shall be insured by the Commissioner, either by individual policies or by blanket policies covering any and all cotton in any State warehouse, the method and manner of securing the insurance to be left to the judgment, discretion and experience of the Commissioner. In the event of any loss or damage the Commissioner shall collect the insurance due and pay the same over ratably and equitably to those lawfully entitled to the same. All insurance policies shall be issued in the name of the Commissioner of Insurance and Banking.

All cotton placed in a warehouse must be insured and the premium shall be collected from the owner of the cotton by the Commissioner and the State shall have the warehouseman's lien for the insurance on the cotton, the same as it has for storage charges.

Sec. 12. Cotton shall not be stored in wooden buildings unless such buildings are equipped with fire protection to be approved by the Commissioner, and none shall be stored in anything but waterproof buildings, so that the entire bale shall be protected from the weather. The Commissioner shall equip all places of storage with such practical fire protection as the location and necessities of the warehouse will permit and in all instances every practical safeguard shall be taken, and in the rules and regulations to be formed by the Commissioner governing his managers he shall set forth the general details of the system of fire protection and shall enforce the same; to this end he shall have the right to call to his assistance all the experts, engineers and employees

of the State Fire Insurance Commission.

Sec. 13. All warehouse receipt books shall be designed by the Commissioner and printed under his direction and be furnished each warehouse by him, each receipt being numbered and accounted for by the manager under such rules as the Commissioner may provide. Each receipt shall contain the lithographed or engraved signature of the Commissioner of Insurance and Banking and the lithographed or engraved seal of his department, but the same shall be signed with pen and ink by the local manager.

Sec. 14. Local managers shall make reports as required to the Commissioner of Insurance and Banking and the litho-amount, grade, character, classification and weight of cotton received and delivered by him and from whom received and to whom delivered, said reports to be in such form as may be designated by the Commissioner of Insurance and Banking, and shall contain such other information as may be required by the Commissioner.

Sec. 15. The Commissioner of Insurance and Banking shall appoint a sufficient number of warehouse examiners to visit each local warehouse from time to time and carefully examine the records kept by the managers and the contents of said warehouses, and make such reports to the Commissioner of Insurance and Banking relative thereto and relative to all other matters that may be required and specified by the Commissioner concerning such warehouses. Such examiners shall visit each warehouse at least twice during each cotton season and at such other times as may be designated by the Commissioner of Insurance and Banking.

Sec. 16. Every warehouse examiner appointed by the Commissioner shall be a competent cotton classer, and before entering upon the duties of his office shall take and file in the office of the Commissioner the constitutional oath, and in addition thereto shall take an oath to make fair and impartial examinations and that he will not accept as presents or emoluments any pay, directly or indirectly, for the discharge of any act in the line of his duty other than the remuneration accorded and fixed by law; and that he will not reveal the condition of any warehouse examined by him or of any storage account examined by him or give any information secured in the course of examination to any one except to the Governor, the Commissioner and the Attorney General; and

except when required to do so in the enforcement of the law or in the course of a judicial proceeding.

No such examiner shall at any time after he has been appointed and qualified be an officer or stockholder in any warehouse company or warehouse corporation or a member of any firm or an officer of any corporation engaged in the purchase or sale of cotton or cotton products.

Each such examiner shall enter into a bond payable to the State in the sum of ten thousand (\$10,000) dollars to be approved by the Commissioner and deposited in his office, conditioned that he will faithfully perform his duties as such examiner.

As full compensation for the performance of the duties of examiner each person so appointed shall be entitled to receive a salary of not to exceed one hundred and sixty-six and two-thirds (\$166 $\frac{2}{3}$ ) dollars per month during the time he is employed as such examiner, and all necessary traveling expenses. An itemized account of such expenses shall be rendered monthly under oath by each examiner and shall be approved by the Commissioner. Provided, however, the Commissioner may in his discretion cause State Bank Examiners to perform the duties of warehouse examiners in addition to their duties as State Bank Examiners, where such action will be economical, desirable and practical; in such instance, however, it will not be necessary for the State Bank Examiner to make any additional bond or take any additional oath. The expense of any examination by a State Bank Examiner shall be borne by the funds appropriated for the enforcement of this law.

Sec. 17. The Commissioner shall have authority, and it shall be his duty if he finds it necessary in addition to local warehouses, to lease and maintain warehouses at points of concentration.

Sec. 18. The warehouseman's lien herein provided for when same has become due may be satisfied as follows:

The manager shall give a written notice to the person on whose account the goods are held, and to any other person known by the manager to claim an interest in the goods. Such notice shall be given by delivery in person or by registered letter addressed to the last known place of business or abode of the person to be notified. The notice shall contain:

- (a) An itemized statement of the

manager's claim, showing the sum due at the time of the notice and the date or dates when it became due.

(b) A brief description of the goods against which the lien exists.

(c) A demand that the amount of the claim as stated in the notice, and of such further claim as shall accrue, shall be paid on or before a day mentioned, not less than ten days from the delivery of the notice if it is personally delivered, or from the time when the notice should reach its destination, according to the due course of post, if the notice is sent by mail; and

(d) A statement that unless the claim is paid within the time specified the goods will be advertised for sale and sold by auction at a specified time and place.

In accordance with the terms of a notice so given, a sale of the goods by auction may be had to satisfy any valid claim of the manager for which he has a lien on the goods. The sale shall be had in the place where the lien is acquired, or, if such place is manifestly unsuitable for the purpose, at the nearest suitable place.

After the time for the payment of the claim specified in the notice to the depositor has elapsed an advertisement of the sale, describing the goods to be sold, and stating the name of the owner or person on whose account the goods are held, and the time and place of the sale shall be published in the place where such sale is to be held.

Such publication shall be for not less than two successive weeks prior to the date of sale, and no charge shall be made for such publication in excess of the rates now provided by the statutes, as compensation for the publication of legal notices.

The sale shall not be held less than fifteen days from the time of the first publication. If there is no newspaper published in such place, the advertisement shall be posted at least ten days before such sale in not less than six conspicuous places therein.

From the proceeds of such sale the manager shall satisfy the lien, including the reasonable charges of notice, advertisement and sale; and balance, if any, of such proceeds shall be held by the manager, and delivered on demand to the person to whom he would have been bound to deliver or justified in delivering the goods.

At any time before the goods are sold any person claiming a right of property or possession therein may pay the ware-



house manager the amount necessary to satisfy his lien and to pay the reasonable expenses and liabilities incurred in serving notices and advertising and preparing for the sale up to the time of such payment. The manager shall deliver the goods to the person making such payment if he is a person entitled under the provisions of this act to the possession of the goods on payment of the charges thereon. Otherwise the manager shall retain possession of the goods according to the terms of the original contract of deposit.

Sec. 19. This act being intended as an emergency measure it is the intent that it shall remain in full force and effect only as long as the emergency which caused its passage shall continue, and the Commissioner is directed to cease receiving cotton under this act not later than the 31st day of August, 1915; and he is expressly authorized to cease the receipt of cotton at any place or places whenever the demands of the public do not justify the further operation of a warehouse at such place or places as emergency agencies; or, whenever general financial conditions and trade demands render it practicable for the service sought to be performed under this act to be taken over and discharged by and under the direction of any bonded warehouse system which may be created and established before the expiration of this act on August 31, 1915.

Sec. 20. No action shall be brought against the Commissioner or his local manager for any lawful action taken under this act, but all such suits shall be brought against the State; and the same shall be defended by the Attorney General, but the Commissioner may, if necessary, employ counsel in any particular suit.

Sec. 21. All charges, funds and dues collected under this act shall constitute a special fund to be used only in the administration of this law and paying obligations hereunder until further action be taken by the Legislature; and all such funds are hereby appropriated for such purposes for the fiscal year ending August 31, 1915.

There is hereby appropriated out of any funds in the Treasury not otherwise appropriated for the year ending August 31, 1915, the sum of one hundred thousand dollars or so much thereof as may be necessary for administering the affairs of this division of the Department of Insurance and Banking.

Sec. 22. In the event the Commissioner should have space in any partic-

ular warehouse in excess of its use for cotton he may store and issue receipts for other non-perishable farm products, but the general purpose of this law is the storage of cotton, and the storage of all other farm products shall be incidental and optional with the Commissioner as to each particular warehouse.

Sec. 23. The standards of weights and measures of this State shall be the standards of weights and measures used under this act. It shall be the duty of the Commissioner to establish standards of classification for cotton and the originals of such standards shall be maintained subject to inspection in his office in the State Capitol. Duplicates of said classification of cotton, as well as standards of weights and measures, shall be furnished to the managers of each warehouse as soon as may be done. The standards of classification of cotton shall be the same as those established by the Department of Agriculture of the United States; but it shall not be necessary for the manager of any particular warehouse to receive such standards from the Commissioner before he may begin operation; it is only intended by this provision that such standards shall be ultimately furnished when the Commissioner is able to furnish the same. All products stored in a State warehouse shall be weighed, graded and classed by the manager thereof, and it shall not be necessary for the same to be weighed by a public weigher for any purpose.

Sec. 24. Commercial paper secured by State warehouse receipts issued under this act may be used as an investment for capital, surplus and reserves of all life insurance companies, fire insurance companies, or accident insurance companies and trust and surety companies chartered under the laws of this State or operating in this State, the same as if such paper were municipal bonds or other securities in which such companies are now permitted by law to invest.

Sec. 25. The manager of any warehouse operating hereunder, or any employee or servant at a warehouse who issues or aids in issuing a receipt, knowing that the goods for which said receipt is issued have not been actually received in the warehouse or are not under the control of the manager thereof, shall be guilty of a felony and upon conviction shall be punished for each offense by confinement in the State penitentiary for a period not exceeding five years or by a fine not exceeding five

thousand dollars, or by both such fine and imprisonment.

Sec. 26. Any manager of a warehouse or any employe or servant at a warehouse who fraudulently issues or aids in fraudulently issuing a receipt for goods, knowing that the same contains any false statement, other than that defined by Section 25 hereof, he shall be guilty of a felony and upon conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding two years or by fine not exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 27. Any manager of or any employe or servant at a warehouse under this act who issues or aids in issuing a duplicate or additional negotiable receipt for goods, knowing that a former negotiable receipt for the same, or any part thereof, is outstanding and uncanceled, without plainly placing on the face thereof the word "duplicate," as provided in the case of a lost or destroyed receipt, shall be guilty of a felony and on conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding five years or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 28. Any manager of a warehouse or servant or employe at a warehouse who delivers goods out of a warehouse, knowing that a negotiable receipt, the negotiation of which would transfer the right to the possession of the goods, is outstanding and uncanceled, without obtaining possession of such receipt at or by the time of its delivery, except in case of a lost or destroyed receipt, shall be guilty of a felony and upon conviction shall be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding one year, or by fine not exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 29. Any person who deposits goods in a warehouse, under this act, to which he has no title or upon which there is a lien or mortgage and who takes for such goods a negotiable receipt which he afterwards negotiates for value with intent to deceive and without disclosing his want of title or the existence of a lien or mortgage shall be guilty of a felony, and upon conviction be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding five years or by fine not exceeding five thousand

dollars, or by both such fine and imprisonment.

Sec. 30. Any person who wilfully and knowingly violates any of the provisions of this act for which a penalty is not otherwise provided, or who wilfully and knowingly does any act or thing prohibited for which a penalty is not otherwise provided, or who wilfully or knowingly fails to do anything herein provided for, for which a penalty is not otherwise provided, shall be guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding one thousand dollars or by confinement in the county jail for a term of not exceeding one year or by both such fine and imprisonment.

Sec. 31. It is further provided that the Commissioner may lease wheat and grain elevators and hay warehouses and store and issue receipts for wheat and grain and hay in the same manner as herein provided for cotton, and to the same extent, should it become necessary in furtherance of the general public purposes of this act; and that in so doing all the provisions of this measure with reference to cotton shall apply, so far as practicable.

Sec. 32. If any particular section of this act shall be held unconstitutional, such holding shall not invalidate any other portion thereof.

Sec. 33. Nothing in this act shall be considered as applying to private warehouses owned by corporations or associations, where such warehouses are not leased to or under the examination and control of the Commissioner of Insurance and Banking.

Sec. 34. Nothing in this act shall be construed to repeal the law relating to public warehouses and private warehouses as provided in the Act of the Thirty-third Legislature of Texas, Chapter 37, First Called Session. It being the purpose of this act to create and regulate State bonded warehouses, and to leave in force the law providing for and regulating public warehouses and private warehouses as provided in said Act of the Thirty-third Legislature, Chapter 37, First Called Session.

Sec. 35. The importance of the legislation proposed in this act and the necessity of providing immediately sufficient warehouses to store the cotton products of this State, in view of the financial disturbances due to the European wars, creates an emergency and an imperative public necessity requiring that the constitutional rule providing bills shall be read on three several days in each house

shall be suspended and the said rule is so suspended, and this act shall take effect from and after its passage, and it is so enacted.

Pending discussion, Senator Brelsford moved that the reading clerk, by direction of the Free Conference Committee, read such part of the report that had been amended by the Senate or the committee.

Senator Astin moved, as a substitute, that the report be printed in the Journal and that no further action be had on the bill this day.

Senator Bailey of Harris moved to table the substitute motion, which motion to table was adopted.

Senator Astin called for the reading of the report in full and

Senator Hudspeth made the point of order that the bill had been, in compliance with the Constitution, read on three several days.

Senator Clark moved the previous question on the motion by Senator Brelsford, which being duly seconded, was so ordered.

The motion by Senator Brelsford, that such section of the bill that had been amended be read, was then adopted.

Senator Astin then renewed his request for the reading of the bill in full.

Here Senator McNealus moved that the Senate adjourn until 10 o'clock tomorrow morning. The motion was lost.

Action recurred on the Free Conference Committee Report on House bill No. 1 and pending discussion the Chair directed the report to be read in full.

At the conclusion of the reading of the report, Senator Wiley made the point of order that part of the bill relating to investments by insurance companies, not being any part of the bill when placed in Free Conference and not at any time considered by the Senate in connection with the bill, constitutes new matter and should not be considered or included in the bill reported. Cited as authority Jefferson's Manual, Section 539; Sections 1693, 1694 and 1695, Legislative Manual, 1913.

The Chair, Senator Townsend, overruled the point of order.

The report, having been read, was adopted by the Senate by the following vote:

Yeas—24.

Astin.	Carter.
Bailey of DeWitt.	Clark.
Bailey of Harris.	Collins.
Brelsford.	Conner.

Cowell.	McNealus.
Darwin.	Real.
Gibson.	Taylor.
Greer.	Terrell.
Harley.	Townsend.
Hudspeth.	Warren.
Johnson.	Westbrook.
McGregor.	Willacy.

Nays—2.

Lattimore.	Wiley.
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Absent.

Hall.	Absent—Excused.
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Morrow.	Watson.
Nugent.	

Senator Willacy moved to reconsider the vote by which the report was adopted and lay that motion on the table.

The motion to table was adopted.

#### HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 10, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following resolutions:

H. C. R. No. 10, memorializing the Federal Reserve Board to hasten the establishment of Federal Reserve Banks.

H. C. R. No. 9, requesting Congress to enact immediate legislation beneficial to agricultural and commercial interests.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

#### SIMPLE RESOLUTION.

By Senator Bailey of DeWitt:

Resolved, That 500 extra copies of Senate bill No. 12 be printed for the use of the Senate and Senators.

The resolution was read and adopted.

#### ADJOURNMENT.

On motion of Senator Clark the Senate, at 6:15 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

## APPENDIX.

## COMMITTEE REPORTS.

Committee Room,

Austin, Texas, September 10, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufactures, to whom was referred

S. B. No. 11, A bill to be entitled "An Act to prohibit any person, firm or association of persons, operating a cotton seed oil mill in this State, or any member, agent or employee of either from owning, operating or holding any character of interest in a public cotton gin in this State; also to prohibit any officer, director, agent or employee of any corporation operating a cotton seed oil mill in this State from owning, operating or holding any character of interest in a public cotton gin in this State, providing the time the act shall become effective and fixing penalties,"

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass.

COLLINS, Chairman.

Committee Room,

Austin, Texas, September 10, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Judiciary Committee No. 1. to whom was referred

S. B. No. 12, A bill to be entitled "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank and stating how and in what manner and where such reserve shall be maintained; prescribing that State banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State

banking corporations which become members of a Federal reserve bank to conform to the Federal Law as now or hereafter enacted and all rules and regulations promulgated relative thereto by lawful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State banks becoming members of a Federal reserve bank shall be required to conform to the provisions of law imposed upon national banks respecting limitations of liability and prohibitions against making purchases of or loans on stocks of such banks, and to withdrawal or impairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal Reserve Board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions and defining the terms of such discount; prescribing that the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or other liquidating agency appointed; prescribing a limitation on loans which may be made to any individual, corporation, company or firm by a banking corporation chartered under the laws of this State; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State; prescribing the amount of indebtedness which may be created by a banking corporation chartered under the laws of this State, and declaring an emergency,"

Have had same under consideration, and I am instructed to report same back to the Senate with the recommendation that it do pass.

CARTER, Acting Chairman.

## SIXTEENTH DAY.

Senate Chamber,  
Austin, Texas,

Friday, September 11, 1914.

The Senate met pursuant to adjournment.

The President of the Senate being absent, the Senate was called to order by the Secretary, W. V. Howerton.

The roll was called, a quorum being present, the following Senators answering to their names:

Astin.	Harley.
Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	McGregor.
Clark.	McNealus.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Westbrook.
Greer.	Wiley.
Hall.	Willacy.

Absent.

Warren.

Absent—Excused.

Morrow.  
Nugent.

Watson.

Prayer by the Chaplain.

#### ELECTION OF PRESIDENT PRO TEM. AD INTERIM.

The Chair announced that on account of the absence of the President of the Senate the election of a President Pro Tem. Ad Interim was in order, whereupon

Senator Carter placed in nomination Senator Jas. W. Wiley.

Senator Hudspeth seconded the nomination of Senator Wiley.

Senator Westbrook placed in nomination Senator W. A. Johnson.

Senator Clark seconded the nomination of Senator Wiley.

Senator Taylor seconded the nomination of Senator Johnson.

There being no other nominations, the Chair declared nominations closed.

Senators Brelsford, Bailey of Harris and Astin were appointed as tellers.

The tellers declared the result of the ballot as follows:

Senator Johnson received 9 votes.

Senator Wiley received 13 votes.

The Chair announced that Senator Wiley, having received a majority of all the votes cast, was duly and constitutionally elected President Pro Tem. Ad Interim.

Senators Hudspeth and Darwin were appointed as a committee to escort Senator Wiley to the President's stand, whereupon the constitutional oath was administered.

(Senator Wiley presiding.)

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Townsend.

#### SEATING SENATOR-ELECT HENDERSON.

Senator Townsend offered the following resolution:

Whereas, The Hon. Jno. M. Henderson has been elected a State Senator from the First Senatorial District of Texas to fill out the unexpired term of the Hon. A. C. Oliver, who resigned from office; and

Whereas, It is conceded that the Hon. Jno. M. Henderson has been elected to said office by a large majority; therefore, be it

Resolved by the Senate, That the President of the Senate appoint a committee of two to escort the Hon. Jno. M. Henderson before the bar of the Senate for the purpose of his taking the oath of office, and that he be, and is, hereby seated as a member of the Senate from the aforesaid district, entitled to all the privileges and emoluments of said office.

Signed—Terrell, Harley, Clark, Hall, Lattimore, Taylor, Brelsford, Astin, Real, Johnson, Gibson, Cowell, Hudspeth, Collins, Townsend, Westbrook, Greer, Conner, McNealus, Darwin, Wiley, Carter, Bailey of DeWitt, Bailey of Harris.

The resolution was read and adopted.

In accordance with the above resolution the Chair appointed Senators Townsend and Johnson as a committee to escort Mr. Henderson to the President's stand, whereupon the constitutional oath of office was administered him.

#### PETITIONS AND MEMORIALS.

Senator Johnson offered a petition from farmers from Cottle county, which was read.

Senator Westbrook moved that the

petition be printed in full in the Journal.

There was objection.

Senator Carter made the point of order that the petition was petitioning for legislation on a matter that was not submitted to the Legislature. The Chair overruled the point of order, holding that the people had the right of petition.

Pending discussion, Senator Lattimore made the point of order that the rules of the Senate provided that a brief statement of all petitions be printed in the Journal, etc.

The Chair sustained the point of order and a brief statement of the petition will be found in the Appendix of this Journal.

#### SIMPLE RESOLUTION.

Senator Hall presented a simple resolution extending sympathy to President Woodrow Wilson on account of the death of Mrs. Wilson.

The resolution was read and unanimously adopted.

The resolution in full will be found on a separate page of this Journal.

#### SIMPLE RESOLUTION.

Senator McGregor offered the following resolution:

Whereas, The only authority that can be executed by this Senate is that which is conferred by the people, and the only business which its members can transact is the people's business, and

Whereas, A public performance of the functions of office is the surest guarantee of the fidelity of the officer, and

Whereas, The people of this State have an inherent right to know the manner in which their servants discharge the duties of public office and the reasons which impel such public officer in the execution of the functions of his office, and

Whereas, Sections 75 of Article 1723, and 78, 79 and 80 of Article 1724 of the rules of the Senate closes the doors of information to the people of this State on what their Senators are doing, and clothes the unfaithful representative with the protecting garment of secrecy, and

Whereas, The people of this State should rule this State, and in order to do so should have a full knowledge of all the acts of their Senators, and

Whereas, Said sections so quoted are

as follows, to wit: Article 1723, Section 76,

"Nominations shall be acted on in Executive Session only."

Article 1724, Section 78, is as follows:

"When the Senate is in Executive Session, the Senate Chamber and galleries shall be cleared of all persons except secretaries, doorkeeper and assistant doorkeeper, Sergeant-at-Arms, and Assistant Sergeant-at-Arms, who shall keep secret proceedings of such session until the injunction of secrecy is removed by an unanimous vote of the Senate."

Section 79:

"All information or remarks touching the character or qualifications of any person nominated by the Governor to office shall be kept secret."

Section 80:

"Any officer or member convicted of violating any provisions of either of the two preceding rules shall be liable, if an officer, to dismissal from the service of the Senate, and if a member, to expulsion."

Now, therefore, be it resolved by the Senate, That the rules herein referred to and quoted, they and each of them be, and are hereby repealed, and hereafter all the business of this Senate enacted for and in behalf of the people of this State, under and by virtue of their authority, shall be done in the open and in the public, to the end that the people may know what their representatives do.

The resolution was read and referred to the Committee on Rules.

Morning call concluded.

#### HOUSE CONCURRENT RESOLUTION NO. 10.

The Chair laid before the Senate, by unanimous consent,

House Concurrent Resolution No. 10, memorializing the Federal Reserve Board to hasten the establishment of Federal reserve banks.

The resolution was read and Senator Cowell offered the following amendment, which was read and adopted:

Amend the resolution by substituting the word "Regional" for the word "Federal" wherever it appears in qualifying the word "bank" or "banks."

Senator McNealus offered the following amendment, which was read and adopted:

Amend the resolution by striking out the word "exported," in the second par-

agraph and substitute therefor the words "shipped and used beyond the limits of the State."

The resolution, as amended, was then adopted.

#### HOUSE CONCURRENT RESOLUTION NO. 9.

The Chair, by unanimous consent, laid before the Senate,

House Concurrent Resolution No. 9, a resolution requesting the United States Congress to pass certain legislation relating to handling the cotton crop, etc.

The resolution was read and referred to the Committee on Agricultural Affairs.

#### HOUSE CONCURRENT RESOLUTION NO. 4.

The Chair laid before the Senate, H. C. R. No. 4, Relating to the collection by Consular Agents of information concerning the manufacture of cotton goods.

The committee report was adopted.

The resolution was read and adopted.

#### RECESS.

On motion of Senator Clark the Senate, at 12:15 o'clock p. m., recessed until 2:30 o'clock today.

#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by Senator Wiley, President Pro Tem., Ad Interim.

#### HOUSE CONCURRENT RESOLUTION NO. 9.

Committee Room,

Austin, Texas, September 11, 1914.

Hon. Jas. R. Wiley, President Pro Tem.  
Ad Interim of the Senate.

Sir: Your Committee on Agricultural Affairs to whom was referred House Concurrent Resolution No. 9, have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it be not adopted in its present form but that same be returned to the

House for correction as shown by the House Journal.

REAL, Acting Chairman.

Senator Real moved that the Senate rule requiring committee reports to lie over for one day be suspended for the purpose of considering the above report.

The motion was adopted.

The above committee report was adopted.

#### SENATE BILL NO. 10.

(Pending Business.)

Action here recurred on the pending business from yesterday, S. B. No. 10.

The question recurred on the amendment by Senator Real to the amendment by Senator Cowell. (See Journal of yesterday for the amendments.)

The amendment to the amendment was adopted.

Senator Lattimore offered the following substitute for the amendment as amended:

Amend bill, Section 7, by striking out all of said section and inserting the following:

All corporations either domestic or foreign which may now own, operate, or control, either directly or indirectly, in violation of the terms of this act, any public cotton gin or gins in this State shall be, and the same are hereby given one year of the taking effect of this act in which to dispose of such gins or their interest therein, provided that this act shall come operative and take effect on and after May 1, 1915.

LATTIMORE,  
COWELL.

The substitute was read and adopted. The amendment, as substituted, was adopted.

Senator Westbrook offered the following amendment:

Amend the bill, page 2, by striking out the word "dual" in line 14 and inserting in lieu thereof the word "triple" and by adding after the word "mill" in line 15, the following: "engaging in the business of selling or bartering bagging and ties" and by striking out the period after the word "State" in line 21, and adding the following: "or to engage in the business of selling or bartering bagging and ties."

The amendment was read and Senator Gibson moved to table same, which motion was adopted.

Senator Bailey of DeWitt offered the following amendment:

Amend the bill by adding on page 5, line 7, the following:

"Sec. 10. Nothing contained in this act shall in anyway be construed to repeal the anti-trust laws or any other criminal statutes of this State now in force, but shall be in all things cumulative thereof."

Senator Carter moved the previous question on the amendment and the engrossment of the bill, which was duly seconded.

Pending discussion Senator Carter withdrew his motion for the previous question.

Action recurred on the amendment, and Senator McGregor offered a substitute for the amendment and the bill.

Senator Collins made the point of order that an amendment to perfect the bill would have precedence over a substitute for the bill.

Senator Townsend made the point of order, also, that the mover of the motion for the previous question could not withdraw the same without the consent of the seconds.

The Chair overruled the first point of order and sustained the latter.

Action then recurred on the motion for the previous question, which had been seconded, and was ordered.

The amendment was adopted.

The bill, having already been read second time, was ordered engrossed.

Senator Carter moved to reconsider the vote by which the bill was ordered engrossed and table that motion.

The motion to table was adopted.

#### ADJOURNMENT.

Senator Clark, at 3:50 o'clock p. m. moved that the Senate adjourn until 10 o'clock Monday morning.

Senator Brelsford moved, as a substitute, that the Senate adjourn until 10 o'clock tomorrow morning.

Action recurred on the longest time first and the motion to adjourn until Monday was adopted.

#### APPENDIX.

#### REASONS FOR VOTING "AYE" ON HOUSE BILL NO. 1.

First. Because the majority of the Senate desire the passage of the law and I give my vote that the necessary two-thirds may put it into immediate effect and permit the people to get the benefit that may be derived from it, though my own opinion is that it will cost the people more than it will benefit them.

Second. A majority want the law and it will pass regardless of my vote, and I do not want to be an obstructionist, so vote to put it into effect that the people may get the benefit now of the expenditure.

Third. I yield my personal and constitutional objections that any good that may accrue from this emergency law, will accrue at once. Though my own opinion is that the State has no right to go into the warehouse business, and should not do so, even in emergencies like this, and I doubt the benefits that the majority allege this law will bring in the marketing of our distressed cotton.

DARWIN.

#### PETITIONS AND MEMORIALS.

Senator Johnson presented a petition, numerous signed by citizens of Cottle county, demanding the passage of the emergency warehouse bill, general warehouse bill and stay bill.



**In Memory  
of  
Mrs. Woodrow Wilson**

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Whereas, The Senate recognizes the universal sorrow occasioned in this State by the death of one of the noblest daughters of the South, Mrs. Woodrow Wilson, the wife of the President of this nation, "who rarely exemplified the highest qualities of American wife, mother and woman"; therefore, be it

Resolved, That the members of this Senate extend to the President and his family their tenderest sympathy; and be it further

Resolved, That a page of the Journal of the Senate be set apart and dedicated to the memory of the deceased, and that an enrolled copy of this resolution be sent to the President and his family.

Signed—Astin, Bailey of DeWitt, Bailey of Harris, Brelsford, Carter, Clark, Collins, Conner, Cowell, Darwin, Gibson, Greer, Hall, Harley, Henderson, Hudspeth, Johnson, Lattimore, McGregor, McNealus, Morrow, Nugent, Real, Taylor, Terrell, Townsend, Warren, Watson, Westbrook, Wiley, Willacy.

The resolution was read and unanimously adopted by a rising vote.

## SEVENTEENTH DAY.

Senate Chamber,  
Austin, Texas,

Monday, September 14, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Carter.	McNealus.
Clark.	Nugent.
Collins.	Terrell.
Conner.	Townsend.
Cowell.	Warren.
Darwin.	Watson.
Gibson.	Westbrook.
Greer.	Wiley.
Hall.	Willacy.
Henderson.	

Absent.

Astin.	McGregor.
Brelsford.	Real.
Harley.	Taylor.
Hudspeth.	

Absent—Excused.

Morrow.

Prayer by the Chaplain.

Pending the reading of the Journal of Saturday, the same was dispensed with on motion of Senator Carter.

## EXCUSED.

On account of important business:

Senator Taylor, for today, on motion of Senator Johnson.

Senator Warren, for non-attendance on last Friday, on motion of Senator Carter.

Senator Hudspeth, indefinitely, on motion of Senator McNealus.

Senator Harley, for today, on motion of Senator Bailey of DeWitt.

See Appendix for petitions and memorials.

Morning call concluded.

## BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senators Hudspeth and McNealus:

S. B. No. 13, A bill to be entitled "An Act to amend Chapter 1 of Title

14, of the Revised Penal Code of 1911 of the State of Texas, by adding thereto Articles 924a, 924b and 924c; further defining the offenses of forgery, passing and attempting to pass as true and having in possession with the intent to pass as true forged instruments and prohibiting the making, altering, forging or counterfeiting of any bond, certificate, obligation or instrument in writing having a value or purporting to be of value, issued by, or purporting to be issued by or under the authority or direction of any foreign government or de facto foreign government or any officer or agent of any foreign government or de facto foreign government, or any person or persons claiming to act by or under the authority of any foreign government or de facto foreign government, or claiming by right of any office, military or civil, to have a right in any foreign country by virtue of such office to issue money, bills of exchange, notes or any papers circulating as money or mediums of exchange in any foreign country or portion thereof, or purporting to be redeemable in money or other thing of value, and fixing a penalty therefor; also prohibiting the passing or attempting to pass as true or having in possession with intent to pass as true, any such instrument or instruments so falsely made, providing penalties therefor, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 2.

## SENATE BILL NO. 10.

The Chair laid before the Senate, on third reading and regular order,

S. B. No. 10, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling, or operating a cottonseed mill, and of owning, controlling, or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cottonseed oil mill, from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures, and procedure for enforcing this act; prohibiting any interference with or restricting competition in the sale, handling, or marketing of cotton seed; giving all corporations engaged in the business of operating cottonseed oil mills, that now own, control or operate public gins nine months from the taking effect of this act, to sell or otherwise dispose of their

gin properties and interests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cottonseed oil mill business to be in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punishments, and procedure for all corporations and persons violating this act."

Senator Lattimore moved to rescind the vote by which Senate bill No. 10 was passed to engrossment on last Friday.

The motion to rescind was adopted by the following vote:

Yeas—15.

Bailey of DeWitt.	Nugent.
Bailey of Harris.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Johnson.	Westbrook.
Lattimore.	Wiley.
McNealus.	

Nays—6.

Carter.	Conner.
Clark.	Greer.
Collins.	Henderson.

Present—Not Voting.

Hall.

Absent.

Astin.	McGregor.
Brelsford.	Real.
Harley.	Willacy.

Absent—Excused.

Hudspeth.	Taylor.
Morrow.	

The Chair laid before the Senate on second reading, Senate bill No. 10.

Senator Nugent offered the following amendment:

Amend the bill, Section 1, page 2, line 16, by changing the period to a comma, and inserting thereafter and before the word "It" the following: "except as hereinafter provided," and line 21 by adding after the word "State" the following: "Provided that a public cotton gin plant of one or more gin stands may be operated in connection with a cotton oil mill in the same town, where such cotton oil mill is operated."

The amendment was read, and after discussion, Senator Collins moved to table the same, which motion to table was adopted by the following vote:

Yeas—11.

Bailey of Harris.	Hall.
Carter.	McNealus.
Collins.	Terrell.
Conner.	Westbrook.
Darwin.	Wiley.
Greer.	

Nays—9.

Cowell.	McGregor.
Gibson.	Nugent.
Henderson.	Townsend.
Johnson.	Warren.
Lattimore.	

Present—Not Voting.

Willacy.

Absent.

Astin.	Harley.
Bailey of DeWitt.	Real.
Brelsford.	

Absent—Excused.

Hudspeth.	Taylor.
Morrow.	

PAIRED.

Senator Clark (present), who would vote "yea," with Senator Watson (absent), who would vote "nay."

Senator Watson offered the following amendment:

Amend the bill by adding at the end of Section 1 the following: "Provided the provisions of this bill shall not be so construed as to prevent any cotton oil mill, at least 80 per cent of whose capital stock is owned by citizens of the county in which said cotton oil mill is located, from owning and operating cotton gins within the same county where the said cotton oil mill is located."

Senator Clark moved to table the amendment, which motion was lost by the following vote:

Yeas—10.

Carter.	Henderson.
Clark.	McNealus.
Collins.	Terrell.
Conner.	Townsend.
Darwin.	Westbrook.

Nays—13.

Bailey of DeWitt.	McGregor.
Bailey of Harris.	Nugent.
Cowell.	Warren.
Gibson.	Watson.
Greer.	Wiley.
Johnson.	Willacy.
Lattimore.	

Absent.

Astin.  
Brelsford.  
Hall.Harley.  
Real.

Absent—Excused.

Hudspeth.  
Morrow.

Taylor.

Senator Cowell offered the following amendment to the amendment:

Amend the amendment by inserting after the word "county" in line 10, the words "or adjoining counties."

Senator Bailey of Harris moved to table the amendment to the amendment, which motion to table was adopted by the following vote:

Yeas—14.

Bailey of DeWitt.	Nugent.
Bailey of Harris.	Terrell.
Carter.	Townsend.
Greer.	Warren.
Henderson.	Watson.
Lattimore.	Westbrook.
McNealus.	Willacy.

Nays—9.

Clark.	Gibson.
Collins.	Johnson.
Conner.	McGregor.
Cowell.	Wiley.
Darwin.	

Absent.

Astin.	Harley.
Brelsford.	Real.
Hall.	

Absent—Excused.

Hudspeth.	Taylor.
Morrow.	

Action recurred on the amendment by Senator Watson, and Senator Wiley offered the following amendment to the amendment:

Amend the amendment by striking out the words "of the county" and insert the words "in the State."

## MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, September 14, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following resolution:

H. C. R. No. 9, Requesting Congress and Secretary of the Treasury to use

all possible haste in dealing with the cotton situation.

Also,

The House concurs in Senate amendments to H. C. R. No. 10.

Respectfully,

W. R. LONG,  
Chief Clerk, House of Representatives.

H. C. R. No. 9 was laid before the Senate and referred to Committee on Agricultural Affairs.

## RECESS.

On motion of Senator Clark the Senate, at 12:12 o'clock p. m., recessed until 2:30 o'clock today.

## AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.

## SENATE BILL NO. 10.

Action recurred on the pending business, Senate bill No. 10, the question being on the amendment by Senator Wiley to the amendment by Senator Watson and Senator Wiley, by unanimous consent, withdrew the amendment to the amendment.

Action recurred on the amendment by Senator Watson and the same was lost by the following vote:

Yeas—5.

Bailey of DeWitt.	McGregor.
Cowell.	Watson.
Johnson.	

Nays—16.

Bailey of Harris.	Harley.
Carter.	Henderson.
Clark.	Lattimore.
Collins.	McNealus.
Conner.	Nugent.
Darwin.	Townsend.
Gibson.	Westbrook.
Greer.	Wiley.

Present—Not Voting.

Warren.

Absent.

Astin.	Real.
Brelsford.	Terrell.
Hall.	Willacy.

Absent—Excused.

Hudspeth.  
Morrow.

Taylor.

Senator Nugent offered the following amendment:

Amend the bill by adding at the end of Section 1 the following: "Provided the provisions of this bill shall not be so construed as to prevent any cotton oil mill at least 80 per cent of whose capital stock is owned by citizens of the county in which said cotton oil mill is located, from owning and operating one cotton gin plant within the same village, town or city where said cotton mill is located."

The amendment was read and Senator Collins made the point of order that the amendment was, in substance, the same as the amendment by Senator Watson and which had just been voted down by the Senate.

The Chair overruled the point of order.

(Senator Bailey of DeWitt in the chair.)

Pending discussion, Senator Collins moved to table the amendment, which motion prevailed.

Senator Lattimore offered the following amendment, which was read and adopted:

Amend bill, page 4, line 15, by striking out the word "fined" and insert word "penalized" in lieu thereof, and by striking out the word "is" in line 17, and inserting in lieu thereof the word "operates."

Senator Lattimore offered the following amendment:

Amend bill by substituting for Section 1 the following:

"Section 1. From and after the passage of this act it shall be unlawful for any corporation, domestic or foreign, organized for the purpose of operating a cotton seed oil mill, whether doing business in the State by virtue of a permit or a domestic charter, to own, operate or control, directly or indirectly, or to hold or have any character of interest in any public cotton gin in this State; and it shall likewise be unlawful for any corporation organized for the purpose of operating any public cotton gin or gins, to own, operate or control any cotton seed oil mill or any interest therein, it being hereby declared to be the law that the operation of public cotton gins is not an incident to, or a proper or necessary function of a cotton seed oil mill."

Here a messenger from the Governor's office appeared at the bar of the Senate and delivered a "Message from the Governor."

Action recurred on the amendment by Senator Lattimore to Senate bill No. 10 and the same was adopted.

Senator Carter offered the following amendment, which was read and adopted:

Amend the bill, page 1, line 15, by striking out all of line 15 after the word "gins" and insert in lieu thereof the following: "a reasonable time to."

Senator Collins offered the following amendment, which was read and adopted:

Amend the bill as follows: In line 29, page 2, strike out the phrase "of the above section."

Senator Collins offered the following amendment, which was read and adopted:

Amend the bill as follows: In lines 25 and 26, page 2, strike out "of the" at the end of line 25, and "above section" in line 26.

Senator Collins offered the following amendment, which was read and adopted:

Amend the bill as follows: At the end of line 16, page 1, after the word "interest," add the following: "and fixing the time when this law shall take effect."

Senator Lattimore offered the following amendment, which was read:

Amend bill by striking out all of the preamble beginning with line 24, on page 1, and down to and including the words "now therefore" in line 11 on page 2.

Senator Collins moved the previous question on the amendment, which motion being duly seconded, was so ordered.

The amendment was adopted.

The bill was then passed to engrossment.

Senator Carter moved to reconsider the vote by which the bill was ordered engrossed and lay that motion on the table.

The motion to prevailed.  
(President Pro Tem. Warren in the chair.)

#### SENATE BILL NO. 12.

S. B. No. 5 being pending business, the Chair laid same before the Senate, and by unanimous consent, Senate bill

No. 12 was considered in lieu of Senate bill No. 5.

The Chair laid before the Senate on second reading,

S. B. No. 12, A bill to be entitled, "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank, and stating how and in what manner and where such reserve shall be maintained; prescribing that State banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State banking corporations which become members of a Federal reserve bank to conform the Federal law as now or hereafter enacted and all rules and regulations promulgated relative thereto by lawful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State banks becoming members of a Federal reserve bank shall be required to conform to the provision of law imposed upon national banks respecting limitations of liability and prohibitions against making purchases of or loans on stocks of such banks, and to withdrawal or impairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal Reserve Board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of

a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions and defining the terms of such discount; prescribing that the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or other liquidating agency appointed; prescribing a limitation on loans which may be made to any individual, corporation, company, or firm by a banking corporation chartered under the laws of this State; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State; prescribing the amount of indebtedness which may be created by a banking corporation chartered under the laws of this State, and declaring an emergency."

The bill was read second time, and

Senator Carter offered the following amendment:

Amend the bill, page 3, by striking out the words and figures "\$15,000 or less" wherever they appear and insert in lieu thereof the words and figures "ten thousand (\$10,000) dollars or more" and by striking out "\$15,000" in lines 14 and 25 and insert the words and figures "ten thousand."

Senator Cowell offered the following substitute for the amendment:

Amend the bill, page 3, by striking out all of Section 3 after the figure "3" in line 7 and substitute therefor the following:

"Every banking corporation chartered under the laws of the State with a capital stock of less than \$25,000 and which does not become a member of a Federal reserve bank under the laws of the United States, shall at all times have an amount of cash on hand and cash due from other banks equal to at least twenty-five per cent of the aggregate amount of its demand deposits, ten twenty-fifths of which shall be actual cash in the bank. All such banks having a capital stock of \$25,000 or more shall at all times have an amount of cash on hand and cash due from other banks, equal to at least fifteen per cent of the aggregate amount of its demand deposits, six-fifteenths of which shall be actual cash in the bank. Whenever the reserve of any bank as hereinbefore re-

quired shall fall below the amount specified above for its class, then such bank shall not make any new loans or discounts until it shall by collections restore its lawful reserve. Fifteen twenty-fifths of the reserve fund of a bank with a capital stock of less than \$25,000 or any part thereof, or nine-fifteenths of the reserve fund of a bank with a capital stock of \$25,000 or more or any part thereof, together with the current receipts may be kept on hand or on deposit payable on demand in any bank or banking association of the State of Texas, or any bank, banking association or trust company regularly chartered and operating under the laws of any State or under the laws of the United States, approved by the Commissioner of Insurance and Banking, and having a paid up capital stock of fifty thousand dollars or more; but the deposit in any one bank or trust company shall not exceed twenty per cent of the total deposits, capital and surplus of the bank making the deposit."

(Senator Nugent in the chair.)

Senator Carter moved to table the substitute, which motion was lost by the following vote:

Yeas—9.

Carter.	Harley.
Clark.	McNealus.
Collins.	Townsend.
Gibson.	Westbrook.
Greer.	

Nays—14.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Conner.	Nugent.
Cowell.	Warren.
Darwin.	Watson.
Henderson.	Wiley.
Johnson.	Willacy.

Absent.

Astin.	Real.
Brelsford.	Terrell.
Hall.	

Absent—Excused.

Hudspeth.	Taylor.
Morrow.	

The substitute for the amendment was then lost.

#### MESSAGE FROM THE GOVERNOR.

Governor's Office,

Austin, Texas, September 12, 1914.

To the Senate and House of Representatives:

In harmony with clause 2 of the Gov-

ernor's proclamation convening the Second Extra Session of the Thirty-third Legislature, and as provided in Section 40, Article 3, of the Constitution of Texas, I present to you the following additional subjects for legislation, to-wit:

"An Act to amend Chapter 1 of Title 14 of the Revised Penal Code of 1911 of the State of Texas, by adding thereto Articles 924a, 924b and 924c; further defining the offenses of forgery, passing and attempting to pass as true and having in possession with the intent to pass as true forged instruments, and prohibiting the making, altering, forging or counterfeiting of any bond, certificate, obligation or instrument in writing having a value or purporting to be of value, issued by, or purporting to be issued by or under the authority or direction of any foreign government or de facto foreign government or any officer or agent of any foreign government or de facto foreign government, or any person or persons claiming to act by or under the authority of any foreign government or de facto foreign government, or claiming by right of any office, military or civil, to have a right in any foreign country by virtue of such office to issue money, bills of exchange, notes or any papers circulating as money or mediums of exchange in any foreign country or portion thereof, or purporting to be redeemable in money or other thing of value, and fixing a penalty therefor; also prohibiting the passing or attempting to pass as true or having in possession with intent to pass as true, any such instrument or instruments so falsely made, providing penalties therefor, and declaring an emergency."

I am advised that counterfeiters of Mexican money are operating along the Texas border and in El Paso, Brownsville and other cities and towns large sums of this counterfeit money has been put into circulation. The present criminal statutes of Texas are inadequate, and it is feared that these counterfeiters and the circulators of this spurious currency can not be properly punished under existing criminal laws of this State. There is an emergency, therefore, justifying the submission of this question to you at this time. I have been assured by interested members of the Legislature that the passage of a suitable law on this subject will probably not occupy much of the time of the Legislature.

I also present the following subject for legislation, to-wit:

"An Act to prohibit any person, firm or association of persons, operating a cotton seed oil mill in this State, or any member, agent or employe of either from owning, operating or holding any character of interest in a public cotton gin in this State; also to prohibit any officer, director, agent or employe of any corporation operating a cotton seed oil mill in this State from owning, operating or holding any character of interest in a public cotton gin in this State, providing the time the act shall become effective and fixing penalties."

I have already submitted to you the general subject of legislation prohibiting associations of persons or corporations owning cotton seed oil mills from owning cotton gins, but it is believed by some that the general subject already submitted to you does not embrace the particular subject above submitted to you, and it is herewith presented for your consideration at the request of members of the House of Representatives.

Respectfully submitted,  
O. B. COLQUITT,  
Governor of Texas.

#### BILL SIGNED.

The Chair, President Pro Tem. Warren, gave notice of signing and did sign, in the presence of the Senate, after its caption had been read, the following bill:

H. B. No. 1, "An Act to preserve the credit of the citizens of the State of Texas generally and to prevent the sacrifice of a large part of the products of its industry; to assist in maintaining the solvency of the banks chartered by the State and to preserve intact the depositors' guaranty fund; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values maintained; to furnish a certain, safe, authoritative and liquid security, to enable the people of the State generally to obtain their ratable and proper distribution of currency which may be issued by the national government and generally to preserve the credit and industrial and financial integrity of the State; authorizing and requiring the Commissioner of Insurance and Banking to establish a State warehouse system

for the storing of cotton in bales, wheat in elevators, and other products of industry; prescribing the terms and conditions and rules and regulations under which such officer shall establish said warehouse system, conferring certain authority upon him with reference thereto, and conferring authority upon counties, incorporated cities and towns, to contribute to the cost and expense of such system in their respective locations; authorizing such counties, cities and towns to expend certain funds in establishing warehouses for use as State warehouses and prescribing certain regulations relative thereto; and conferring authority upon private corporations to make contributions for such purpose; authorizing the Commissioner to appoint managers at each local warehouse and prescribing the conditions under which such appointments shall be made; fixing the bond and defining the duties of such managers; prescribing the terms and conditions of warehouse receipts to be issued by the managers of warehouses established by the Commissioner of Insurance and Banking and prescribing when and under what conditions such receipts may be issued and when duplicates may be issued; defining negotiable and non-negotiable receipts; and defining certain purposes for which said receipts may be used; prescribing when property placed in State warehouses shall be delivered upon the surrender of receipts and all terms and conditions, rules and regulations governing State warehouses established by the Commissioner of Insurance and Banking; defining the liability of the State as a public warehouseman and permitting suits to be brought against it as such, and prescribing the venue thereof; prescribing that the Commissioner of Insurance and Banking shall fix the charges for storage, authorizing the Commissioner of Insurance and Banking to have all products stored in State warehouses insured; defining what character of building may be used for warehouse and storage purposes; providing for the appointment of warehouse examiners by the Commissioner of Insurance and Banking, prescribing their duties, conferring authority upon the Commissioner of Insurance and Banking to have State warehouses examined by the State Bank Examiners; providing how the warehouseman's lien provided for in this act may be satisfied; stating when and under what conditions the Commissioner of Insurance and Banking shall cease to receive cotton in storage under this act; defining the



standard of weights and measures and classifications to govern the Commissioner in administering this act; creating certain penal offenses to secure the enforcement of this act and prescribing penalties therefor; making an appropriation to carry out the provisions of this act and declaring an emergency."

#### ADJOURNMENT.

On motion of Senator Carter the Senate, at 4:35 o'clock p. m. adjourned until 10 o'clock tomorrow morning.

#### APPENDIX.

##### COMMITTEE REPORTS.

Committee Room,  
Austin, Texas, September 14, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Rules to whom was referred a simple resolution to amend the rules of the Senate relative to holding the executive session, have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it be not adopted.

LATTIMORE, Chairman.

Committee Room,  
Austin, Texas, September 14, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed Bills have carefully compared

Senate bill No. 10, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling or operating a cotton seed oil mill, and of owning, controlling or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill, from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures, and procedure for enforcing this act; prohibiting any interference with or restrictions of competition in the sale, handling, or marketing of cotton seed; giving all corporations engaged in the business of operating cotton seed oil mills, that now own, control or operate public cotton gins nine months from the taking effect of this act to sell or otherwise dispose of

their gin properties and interests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cotton seed oil mill business to be in any manner engaged in or in any manner interested therein in this State or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punishments, and procedure for all corporations and persons violating this act,"

And find same correctly engrossed.

TERRELL, Acting Chairman.

#### PETITIONS AND MEMORIALS.

The following petitions were offered and by unanimous consent the Senate directed that they be printed in the Journal in full:

Madisonville, Texas, Sept. 11, 1914.

Senator C. W. Nugent, Austin, Texas.

Dear Senator Nugent: I notice that the Governor has submitted to the Legislature the question of the amendment of the corporation law, so as to prohibit cotton oil companies from operating cotton gins, and I am writing to say that the Madisonville Oil Mill and Fertilizer Co., of this place, would be materially and injuriously affected by this enactment.

This mill was organized last year and the stockholders most of them at least live here, and there is quite a number of them, as each of them own just a few shares of stock, and in the organization of the mill it took in as a part of its plant the two gins at this place, then in operation, paying the owners thereof in stock to the full value of their plants, and in making proof of the payment of its capital stock it was specifically shown to the Secretary of State that a part of it, stating the value of the two cotton gins, was paid by the conveyance to the Oil Mill Company of the cotton gins.

This Oil Mill Co. has not undertaken to acquire or control any other gins, except the two that they bought which is located in this town, and these two was paid for in stock in the oil mill, and both had been in operation in this place for a number of years before the mill was organized.

So that no other ginners in Madison county has any additional competition on account of the organization and building the oil mill company, the other gin-

ners have only to compete with the same gins that they had to before the organization of the mill.

Of course should a majority of the mills in the State attempt to control all the gins, and direct them in the final disposition of the seed there could result a great harm to the producers. But where a mill only owns the gins in the towns where they are located I cannot see that any harm could result in them owning and operating them. I do not think that it would be just to or in the interest of the public good to prohibit the mills from owning the gins in the towns where they are located.

I don't think that a mill should be allowed to own a string of gins to extend over several counties, as they would be able to stifle the competition in the seed market, and would be easy for the large mills to soon close the weaker mills up, but I cannot see why a mill should be denied the privilege of owning and operating gins in the same place the mill is located, or run in connection with the mill, as it seems to me that it would be much better for the farmer as it enables him to dispose of his seed without handling them at all after his cotton is ginned.

Trusting that you may have an inclination, and will organize such opposition that will defeat any effort to divorce the gins and mills entirely.

Yours truly,

C. J. DAVIS.

Huntsville, Texas, Sept. 8, 1914.

Senator C. W. Nugent, Austin, Texas.

Dear Senator Nugent: We observe that the Governor has submitted to the Legislature the question of the amendment of the corporation law so as to prohibit cotton oil companies from operating cotton gins, and we are writing to say that the cotton oil company at Huntsville and that at Madisonville would both be materially and injuriously affected by the enactment of such legislation.

When the Huntsville Cotton Oil Company was organized several years ago, it was written into its charter that it might operate a cotton gin. At that time there was no cotton gin at Huntsville, or near here, and the oil company, a year or two after it began business, put in a cotton gin, and it has been a great convenience to the farmers living within five or six miles of Huntsville. This is an up-to-date first-class gin, and this oil company does not undertake to

control a string of gins, or any other gin except that in immediate connection with its own plant in the town of Huntsville.

With reference to the Madisonville Oil Mill and Fertilizer Company, we will say that when this company was organized last year, it took in as a part of its plant the two cotton gins then in operation in the town of Madisonville, paying the owners thereof in stock to the full value of their plants, and, in making proof of the payment of its capital stock, it was specifically shown to the Secretary of State that a part of it, stating the value of the two cotton gins, was paid by the conveyance to the Oil Mill Company of the cotton gins.

This oil mill company has not undertaken to acquire or control any other gin except those bought by it and paid for in its stock, said gins having been in operation in Madisonville for some years prior to the organization of the Oil Mill Company.

So that, no other ginner in Madison county has any additional competition on account of the organization and building of the oil mill. The other ginner simply have to compete with the two gins that were already in operation in Madisonville.

We can see how, where an oil mill company undertakes to build up, or control, all of the gins in a given territory for the purpose of directing the final disposition of the seed and fixing the price, there might be an abuse, but we think this could be controlled by the anti-trust law. In any event, we do not think that it would be just, or in the interest of the public good to prohibit an oil mill company from operating a gin in the town where its oil mill plant is situated, and we hope you can see the matter in this light, and that you will organize such opposition to the proposed legislation as will result in its defeat.

With kindest regards, we remain,

Very truly yours,

DEAN, HUMPHREY & POWELL.

To the Hon. W. A. Johnson, Senator of the Twenty-ninth Senatorial District.

We, the undersigned citizens of Cottle county, Texas, respectfully request that you use your influence for the passage of the Emergency Warehouse bill, and the Permanent Warehouse bill, and also the bill known as the Stay bill:

Ed. Oatman, H. M. Nichols, J. A. Pres-

ton, W. B. Irvin, A. R. Oatman, B. T. Tackett, G. M. Oatman, G. W. Kyle, J. T. Taff, J. F. Walker, J. W. Fannin, V. L. Woolsey, J. D. Bell, Albert Detwiler, W. L. Alverson, P. P. Branham, G. H. Amour, D. K. Pinkston, J. G. Gray, J. H. Williford, I. F. Findley, L. F. Fry, W. E. Bishop, H. Branham, T. A. Lee, John Lee, J. M. Lee, J. R. Vaughan, S. H. Moore, J. C. Samuels, F. N. Lockwood, G. A. Taylor, Guy Taylor, W. S. Daniels, W. H. Brooks, J. T. Black, R. J. West, H. B. Parks, R. W. Wilson, C. W. Lee, J. R. Howell, S. E. Jennings, R. E. French, U. S. Roberts, J. Lee, C. H. Britton, H. J. Preston, T. F. Bassham, T. C. Selman, Lon Lee.

### EIGHTEENTH DAY.

Senate Chamber,  
Austin, Texas,

Tuesday, September 15, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Carter.	McNealus.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Hall.	Willacy.
Harley.	
Henderson.	

Absent.

Brelsford.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Real.

### EXCUSED.

On account of important business:

Senator Watson, for today and indefinitely, on motion of Senator Willacy.

Senator Astin, for non-attendance yesterday, on motion of Senator Real.

Senator Real, for non-attendance on yesterday, on motion of Senator Astin.

### SIMPLE RESOLUTION.

By Senator Collins:

Whereas, A knowledge of the Constitution is essential to intelligent action in legislating; and

Whereas, The Annotated Constitution is most essential in order that members of the Senate may have quick and easy access to all decisions wherein the courts of the State have interpreted the Constitution; and

Whereas, Harris' Annotated Constitution of Texas is a splendidly prepared and annotated volume,

Therefore, be it Resolved, That the Senate of Texas order one copy of said Annotated Constitution for each member of the Senate to be paid for out of the contingent fund of the Senate and at a price not to exceed \$6.00 per volume.

The resolution was read and referred to Committee on Contingent Expenses. Morning call concluded.

### SENATE BILL NO. 12.

The Chair laid before the Senate S. B. No. 12 as the pending business and being what is known as the banking bill.

The question being on the pending amendment by Senator Carter and by unanimous consent he withdrew the same and offered the following in lieu thereof:

Amend the bill, page 3, line 12, by striking out the words "twenty-five per cent" and insert in lieu thereof the words "twenty per cent," and by striking out "ten twenty-fifths" in line 13 and insert in lieu thereof "ten-twentieths."

Senator Townsend offered the following amendment to the amendment:

Amend the amendment by striking out "twenty" and insert in lieu thereof the word "fifteen."

The amendment to the amendment was read and lost by the following vote:

Yeas—12.

Carter.  
Clark.  
Collins.  
Conner.

Darwin.  
Greer.  
Harley.  
McNealus.

Taylor. Westbrock.  
Townsend. Wiley.

Nays—13.

Astin. Lattimore.  
Bailey of DeWitt. McGregor.  
Cowell. Nugent.  
Gibson. Real.  
Hall. Warren.  
Henderson. Willacy.  
Johnson.

Present—Not Voting.

Bailey of Harris.

Absent.

Brelsford. Terrell.

Absent—Excused.

Hudspeth. Watson.  
Morrow.

The amendment by Senator Carter was then adopted.

Senator Willacy offered the following amendment:

Amend the bill by inserting at the end of Section 8, a new paragraph to said section to read as follows:

"All incorporated banks, or bank and trust companies, chartered under the laws of the State of Texas, are hereby prohibited from depositing or loaning any of its funds or deposits of any character, excepting only the reserves as herein otherwise provided for, in or to any bank or other institution engaged, directly or indirectly, in the business of banking or the loaning of money, in any State other than the State of Texas, or in any bank or bank and trust company not subject to the laws of the State of Texas, except upon condition, which condition shall be sufficiently safeguarded, that all such funds so deposited or loans so made by such banks or trust company incorporated under the laws of the State of Texas shall be for a period of time not exceeding thirty days, and that all such loans or deposits shall be adjusted and the balances paid in cash at the expiration of the time of such deposit or loans, not exceeding thirty days from the date of the making thereof; provided that any violation of the provisions of this paragraph of Section 8 of this act shall be sufficient grounds for forfeiture of the charter of any such bank or bank and trust company so offending."

Pending discussion of the above amendment Senator McNealus was called to the chair and presided.

(President Pro Tem. Warren in the chair.)

Pending further discussion, Senator McNealus, at 12 o'clock, noon, moved that the Senate recess until 2:30 o'clock today, which motion was lost.

The amendment by Senator Willacy was lost by the following vote:

Yeas—5.

Collins. Westbrock.  
Greer. Willacy.  
McNealus.

Nays—22.

Astin. Henderson.  
Bailey of DeWitt. Johnson.  
Bailey of Harris. Lattimore.  
Carter. McGregor.  
Clark. Nugent.  
Conner. Real.  
Cowell. Taylor.  
Darwin. Terrell.  
Gibson. Townsend.  
Hall. Warren.  
Harley. Willacy.

Absent.

Brelsford.

Absent—Excused.

Hudspeth. Watson.  
Morrow.

Senator Westbrock offered the following amendment:

Amend the bill on page 10 by adding after Section 11, Sections 11a and 11b, as follows:

"Sec. 11a. Any bank or bank and trust company mentioned in the provisions of this bill, charging more than the constitutional rate of interest of ten per cent (10%) per annum on any loan, shall forfeit both the principal and interest of said loan.

"Sec. 11b. Should the above section be declared unconstitutional by the courts, it is hereby declared that it will in no wise affect any other provision or part of this bill."

The amendment was read and Senator Nugent moved to table same, which motion to table was adopted by the following vote:

Yeas—20.

Astin. Gibson.  
Bailey of DeWitt. Greer.  
Bailey of Harris. Hall.  
Carter. Harley.  
Collins. Henderson.  
Cowell. Johnson.  
Darwin. Lattimore.

McGregor.  
Nugent.  
Real.

Warren.  
Wiley.  
Willacy.

Nays—7.

Clark.  
Conner.  
McNealus.  
Taylor.

Terrell.  
Townsend.  
Westbrook.

Absent.

Brelsford.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

Senator Townsend offered the following amendment:

Amend the bill on page 3, line 1, by adding after the word "authority" the following: "Provided that all bank or bank and trust companies incorporated under the laws of Texas covered by the provisions of this act is hereby granted the authority, same to subscribe for and pay from its capital stock undivided profits and surplus stock in the national reserve bank of the United States as may be subscribed by such bank and bank and trust companies."

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, September 15, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

H. B. No. 12, A bill to be entitled "An Act to amend Chapter 1 of Title 14, of the Revised Penal Code of 1911 of the State of Texas, by adding thereto Articles 924a, 924b and 924c; further defining the offenses of forgery, passing and attempting to pass as true and having in possession with the intent to pass as true forged instruments and prohibiting the making, altering, forging or counterfeiting of any bond, certificate, obligation or instrument in writing having a value or purporting to be of value, issued by, or purporting to be issued by or under the authority or direction of any foreign government or de facto foreign government or any officer or agent of any foreign government or de facto foreign government, or any person or persons claiming to act by or under the authority of any foreign government or de facto foreign government, or claiming

by right of any office, military or civil, to have a right in any foreign country by virtue of such office to issue money, bills of exchange, notes or any papers circulating as money or mediums of exchange in any foreign country or portion thereof, or purporting to be redeemable in money or other thing of value, and fixing a penalty therefor; also prohibiting the passing or attempting to pass as true or having in possession with intent to pass as true, any such instrument or instruments so falsely made, providing penalties therefor, and declaring an emergency."

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

The Chair, President Pro Tem. Warren, referred the above bill, after its caption had been read, to Judiciary Committee No. 2.

#### SENATE BILL NO. 10.

(By Unanimous Consent.)

The Chair laid before the Senate on third reading,

S. B. No. 10, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling, or operating a cottonseed mill, and of owning, controlling, or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cottonseed oil mill, from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures, and procedure for enforcing this act; prohibiting any interference with or restricting competition in the sale, handling, or marketing of cotton seed; giving all corporations engaged in the business of operating cotton seed oil mills, that now own, control or operate public gins nine months from the taking effect of this act, to sell or otherwise dispose of their gin properties and interests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cottonseed oil mill business to be in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punishments, and procedure for all corporations and persons violating this act."

The bill was read third time and passed.

Senator Carter moved to reconsider the vote by which the bill was passed and table that motion.

The motion to table prevailed.

RECESS.

On motion of Senator Taylor the Senate, at 12:24 o'clock p. m., recessed until 3 o'clock today.

AFTER RECESS.

(Afternoon Session.)

SENATE BILL NO. 12.

Action occurred on the pending business, Senate bill No. 12, the question being on the pending amendment by Senator Townsend and the same was adopted.

Senator Gibson offered the following amendment:

Amend the bill, page 9, line 22, by striking out the word "quarter" and inserting "six months."

The amendment was read and lost.

Senator McNealus offered the following amendment:

Amend the printed bill, page 9, by adding after Section 8, Section 8a, as follows:

"Sec. 8a. In addition to the powers now possessed by State banks and banking and trust companies, organized under the banking laws of the State of Texas, such corporations are authorized and empowered to engage in the business of operating and maintaining warehouses for the storage of cotton, cotton products and other agricultural products, and to accept all such products for storage and to issue warehouse receipts therefor, under such rules and regulations governing the same as may be prescribed and altered or amended from time to time by the State Banking Board.

"For the purpose of engaging in and carrying on such business, any such corporation is authorized and empowered to invest the funds in the purchase or lease or improvement of such real estate as may be necessary therefor; provided, that no such investment or lease shall be made, except upon application to and with the approval of the Commissioner of Insurance and Banking."

The amendment was read and lost.

Senator Lattimore offered the following amendment, which was read and adopted:

Amend the bill, as amended, by striking out the words "ten-twentieths" in line 13 and inserting the words "ten twenty-fifths."

Bill read second time and ordered engrossed.

On motion of Senator Bailey of DeWitt, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—25.

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Carter.	McGregor.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Henderson.	

Present—Not Voting.

McNealus.

Absent.

Astin.

Brelsford.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

The bill was laid before the Senate, read third time, and passed by the following vote:

Yeas—26.

Astin.	Henderson.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Carter.	McGregor.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.

Present—Not Voting.

McNealus.

Absent.

Brelsford.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

Senator Bailey of DeWitt, moved to reconsider the vote by which the bill was passed and lay that motion on the table. The motion to table prevailed.

## HOUSE BILL NO. 12.

Senator Carter asked unanimous consent to take up, out of its order, House bill No. 12, but there was objection and,

Senator Carter moved to suspend the pending business, Senate bill No. 5, for the purpose of taking up, out of its order, House bill No. 12.

The motion was adopted by the following vote:

Yeas—25.

Astin.	Henderson.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Carter.	McGregor.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Westbrook.
Greer.	Wiley.
Hall.	Willacy.
Harley.	

Present—Not Voting.

McNealus.

Absent.

Brelsford.

Terrell.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

On motion of Senator Carter the Senate rule, requiring committee reports to lie over for one day, was, for the purpose of considering this bill, suspended by the following vote:

Yeas—25.

Astin.	Hall.
Bailey of Harris.	Harley.
Carter.	Henderson.
Clark.	Johnson.
Collins.	Lattimore.
Conner.	McGregor.
Cowell.	Nugent.]
Darwin.	Real.
Gibson.	Taylor.
Greer.	Terrell.

Townsend.  
Warren.  
Westbrook.Wiley.  
Willacy.

Present—Not Voting.

McNealus.

Absent.

Bailey of DeWitt. Brelsford.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

On motion of Senator Carter, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its second reading by the following vote:

Yeas—26.

Astin.	Henderson.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Carter.	McGregor.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.

Present—Not Voting.

McNealus.

Absent.

Brelsford.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

The committee report was adopted. The Chair laid before the Senate on second reading,

H. B. No. 12, A bill to be entitled "An Act to amend Chapter 1 of Title 14, of the Revised Penal Code of Texas, 1911, of the State of Texas, by adding thereto Articles 924a, 924b and 924c; further defining the offense of forgery, passing and attempting to pass as true and having in possession with the intent to pass as true a forged instrument and prohibiting the making, altering, forging or counterfeiting of any bond, certificate, obligation or instrument in writing having a value or purporting to be of value, issued by or purporting to be issued by or under the authority or direction of any foreign government or any officer or agent of any foreign gov-

ernment or de facto government or any person or persons claiming to act by or under the authority of any foreign government, or claiming by right of any office, military or civil, to have a right in any foreign country by virtue of such office to issue money, bills of exchange, notes or any papers circulating as money or mediums of exchange in any foreign country or portion thereof, or purporting to be redeemable in money or other thing of value, and fixing a penalty therefor; also prohibiting the passing or attempting to pass as true or having in possession with intent to pass as true, any such instrument or instruments as falsely made, and providing penalties therefor and declaring an emergency."

Senator Lattimore offered the following amendment, which was read and adopted:

Amend bill, line 1, of the proposed Article 924a by striking out the word "forging" and insert in lieu thereof the word "forgery."

Senator Nugent offered the following amendment, which was read and adopted:

Amend Section 1, by striking out the word "article" and substituting in lieu thereof the word "articles."

Bill read second time and passed to a third reading.

On motion of Senator Carter, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—26.

Astin.	Henderson.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Carter.	McGregor.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.

Present—Not Voting.

McNealus.

Absent.

Brelsford.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

The bill was read third time and passed by the following vote:

Yeas—25.

Astin.	Johnson.
Bailey of Harris.	Lattimore.
Carter.	McGregor.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Henderson.	

Present—Not Voting.

McNealus.

Absent.

Bailey of DeWitt. Brelsford.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

Senator Carter moved to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion to table prevailed.

#### SIMPLE RESOLUTION.

Senator Cowell, chairman of the Committee on Contingent Expenses, here made the following reports:

(Majority Report.)

Committee Room,

Austin, Texas, September 15, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Contingent Expenses, to whom was referred a simple resolution, pertaining to the purchase of thirty-one copies of Harris' Annotated Constitution of Texas for the use of the members of the Senate, at a price not to exceed \$6.00 per volume, have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it be not adopted.

COWELL, Acting Chairman.

(Minority Report.)

Committee Room,

Austin, Texas, September 15, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: A minority of your Committee



on Contingent Expenses, to whom was referred a simple resolution, pertaining to the purchase of thirty-one copies of Harris' Annotated Constitution of Texas for the use of the members of the Senate, at a price not to exceed \$6.00 per volume, have had the same under consideration, and report the same back to the Senate with the recommendation that it be adopted with the following amendment:

Amend the resolution by striking out the words "thirty-one" and inserting the words "thirty-two" in lieu thereof, at a price not to exceed \$5.00 per volume.

CONNOR.

The reports were read and Senator Collins moved that the minority committee report be adopted, which motion was lost.

Action recurred on the majority committee report and the same was adopted.

#### SENATE BILL NO. 11.

Senate bill No. 5 being the pending business, by unanimous consent,

The Chair laid before the Senate on second reading,

S. B. No. 11, A bill to be entitled "An Act to prohibit any person, firm or association of persons operating a cotton seed oil mill in this State, or any member, agent or employe of either from owning, operating or holding any character of interest in a public cotton gin in this State; also to prohibit any officer, director, agent or employe of any corporation operating a cotton seed oil mill in this State from owning, operating or holding any character of interest in a public cotton gin in this State, providing the time the act shall become effective and fixing penalties."

Senator McGregor offered the following amendment:

Amend Senate bill No. 11, by striking out all after the enacting clause and inserting in lieu thereof the following:

"Section 1. No person, firm, association of persons or corporation shall run or operate any cotton seed oil mill or public gin in this State without first having secured from the Secretary of State a permit to engage in and carry on the business of operating a cotton seed oil mill or public gin, as the case may be. Any person violating the provisions of this article shall be punished by a fine of not to exceed one thousand (\$1000) dollars, or by imprisonment in the county jail not to exceed one year.

Any corporation violating the provisions of this article shall forfeit its charter.

Sec. 2. By the term 'public gin' is meant any gin where cotton is ginned for pay.

Sec. 3. Any person, firm, association of persons or corporation desiring to run or operate either a cotton seed oil mill or a public cotton gin in this State shall file with the Secretary of State an application for a permit to run and operate a cotton seed oil mill or a public cotton gin, as the case may be, which application shall state:

(a) The name or names and residence of the real and actual owner or owners of such cotton seed oil mill or public cotton gin, together with the amount owned therein by each individual.

(b) If the same is owned by a corporation, then the application shall give the names and residence of each stockholder, with the amount of stock so owned by each stockholder.

(c) The amount and character of any debt or debts which constitute a lien against such cotton seed oil mill or public cotton gin and the name and residence of the person or persons holding or owning the same.

(d) That no other person or corporation owns any interest in said cotton seed oil mill or public cotton gin, than is stated in said application.

(e) The place where said cotton seed oil mill or cotton gin is located.

(f) That the party making such application, if an individual, does not own any interest in any other cotton seed oil mill nor public cotton gin, than is stated in said application.

(g) If the application is for a corporation, then the application shall state that the said corporation does not own any interest in any other cotton seed oil mill or public cotton gin, than the one for which permit is sought.

Said application shall be signed and sworn to by each party owning an interest in the cotton seed oil mill or public cotton gin, when the same is owned by an individual, firm or association of individuals, and when made by a corporation, shall be sworn to by both the president and secretary thereof, and any person who wilfully swears falsely to any fact in such affidavit, shall upon conviction, be punished by imprisonment in the penitentiary for not exceeding five years and may be prosecuted in Travis county or in the county where such affidavit was made.

Sec. 4. If the Secretary of State,

upon the filing of such application, finds that the statements made therein are true and that the person, firm, association of persons or corporation are not in any way a party or parties to a combine, trust or monopoly, then he shall issue a permit to the party seeding the same, to operate a cotton seed oil mill or public cotton gin, as the case may be, which will authorize the applicant to operate the same for a period of one year from and after the date of its issuance.

For the issuing of said permit, the Secretary of State shall collect a fee of two (\$2.00) dollars.

Sec. 5. The Secretary of State shall not issue a permit to any person, firm, association of persons or corporation to operate a cotton seed oil mill, who holds or has at the same time a permit to operate a public cotton gin, nor to any person, firm or association of persons or a corporation, a permit to operate a public cotton gin, who at the time holds or has a permit to operate a cotton seed oil mill.

Sec. 6. No permit shall be issued to any person, firm, association of persons or corporation, to operate either a cotton seed oil mill or a public cotton gin in more than one county in this State, at the same time.

Sec. 7. It shall be unlawful for any person, firm or corporation owning or operating or holding any interest in any cotton seed oil mill in this State, to at the same time own, operate or hold any character of interest in a public cotton gin in this State.

Sec. 8. It shall be unlawful for any person, firm or corporation owning or operating or holding any interest in any public cotton gin in this State, to own, operate or hold any interest in any cotton seed oil mill in this State.

Sec. 9. The provisions of this act shall not apply to any gin, the construction of which costs less than twenty-five hundred (\$2500) dollars, and which is owned exclusively by parties who live in the county where the same is located and who own no interest in any cotton seed oil mill.

Sec. 10. Any person, firm or association of persons acquiring any interest in a cotton seed oil mill or cotton gin by inheritance, bona fide gift or in satisfaction of a debt, or who may hold the same at the taking effect of this act in such a way as to come under the provisions of this act and be a violation of this law, shall have twelve months from the date of the acquisition of such

interest to alienate the same, and if the same is so held at the taking effect of this act, then the said holder of the same shall have twelve months from the taking effect of this act in which to alienate the same.

Sec. 11. Nothing in this act shall be construed to repeal any anti-trust laws of this State, and shall be cumulative thereof.

Sec. 12. It shall be unlawful for any corporation to own any interest whatever in any cotton seed oil mill or public cotton gin in this State, except in the cotton gin or cotton seed oil mill which it was chartered to operate, and any corporation violating the provisions of this section shall forfeit its charter.

Sec. 13. Any person violating any of the provisions of this act shall be deemed guilty of a felony and shall be punished by confinement in the penitentiary for any term of years not less than one (1) nor more than five (5)."

The amendment was read, and

Senator Johnson moved that the Senate adjourn until 10 o'clock tomorrow morning, but the motion was lost.

Senator McGregor moved that further consideration of the bill be postponed until tomorrow morning.

The motion was adopted.

#### RESOLUTION SIGNED.

The Chair, President Pro Tem. Warren, gave notice of signing and did sign, in the presence of the Senate, after its caption had been read the following resolution:

H. C. R. No. 10, memorializing the Federal government to hasten the establishment of Regional Reserve Bank.

#### ADJOURNMENT.

Senator Darwin, at 4:05 o'clock p. m., moved that the Senate adjourn until 10 o'clock tomorrow morning, which motion was adopted by the following vote:

Yeas—15.

Astin.	Harley.
Bailey of DeWitt.	Johnson.
Clark.	McGregor.
Collins.	Townsend.
Darwin.	Westbrook.
Gibson.	Wiley.
Greer.	Willacy.
Hall.	

## Nays—10.

Bailey of Harris.	Lattimore.
Carter.	Nugent.
Conner.	Real.
Cowell.	Taylor.
Henderson.	Warren.

## Present—Not Voting.

McNealus.

Absent.

Brelsford.

Terrell.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

## APPENDIX.

## COMMITTEE REPORTS.

Committee Room,

Austin, Texas, September 15, 1914.

Hon. Robt. L. Warren, President Pro  
Tem. of the Senate.Sir: Your Committee on Engrossed  
Bills have carefully compared

S. B. No. 10. A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling or operating a cotton seed oil mill, and of owning, controlling or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill, from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures, and procedure for enforcing this act; prohibiting any interference with or restrictions of competition in the sale, handling, or marketing of cotton seed; giving all corporations engaged in the business of operating cotton seed oil mills, that now own, control or operate public cotton gins nine months from the taking effect of this act to sell or otherwise dispose of their gin properties and interests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cotton seed oil mill business to be in any manner engaged in or in any manner interested therein in this State or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punish-

ments, and procedure for all corporations and persons violating this act,"

And find same correctly engrossed.

TAYLOR, Acting Chairman.

Committee Room,

Austin, Texas, September 15, 1914.

Hon. Robt. L. Warren, President Pro  
Tem. of the Senate.

Sir: Your Judiciary Committee No.  
2, to whom was referred

H. B. No. 12, A bill to be entitled "An Act to amend Chapter 1 of Title 14, of the Revised Penal Code of Texas, 1911, of the State of Texas, by adding thereto Articles 924a, 924b and 924c; further defining the offense of forgery, passing and attempting to pass as true and having in possession with the intent to pass as true a forged instrument and prohibiting the making, altering, forging or counterfeiting of any bond, certificate, obligation or instrument in writing having a value or purporting to be of value, issued by or purporting to be issued by or under the authority or direction of any foreign government, or any officer or agent of any foreign government or de facto government or any person or persons claiming to act by or under the authority of any foreign government, or claiming by right of any office, military or civil, to have a right in any foreign country by virtue of such office to issue, money, bills of exchange, notes or any papers circulating as money or mediums of exchange in any foreign country or portion thereof, or purporting to be redeemable in money or other thing of value, and fixing a penalty therefor; also prohibiting the passing or attempting to pass as true or having in possession with intent to pass a true, any such instrument or instrument so falsely made, and providing penalties therefor and declaring an emergency,"

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed.

CONNER, Chairman.

PROPOSED BILL TO ESTABLISH  
"THE BANK OF TEXAS."

(To be submitted by the Governor for consideration of the Legislature, and printed here by order of the President of the Senate):

Be it enacted by the Legislature of the  
State of Texas:

Section 1. There shall be organized

in this State a corporation for public purposes to be known as "The Bank of Texas," in the manner and with the object, rights and privileges hereinafter set forth.

Sec. 2. The purpose of the creation of The Bank of Texas is to provide a fiscal agency for the State, its counties, municipal corporations and all districts heretofore or hereafter created, with the power to levy and collect taxes and issue bonds or to expend the public funds, to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, find a ready and sufficient market for bonds and other obligations, obtain cash against unmatured and uncollected tax levies, and generally, to furnish an agency of sufficient capital and authority to maintain the financial affairs of the State and its various governmental agencies in a sound and efficient manner;

To furnish a safe and lucrative investment for the permanent school fund of the State, with a definite and certain return;

To enable the holders of all school warrants drawn against the available school fund, uncollected at the time of their issuance, to obtain cash thereon without discount thereof;

To provide a reserve bank in aid of the general banking system of the State; to assist in maintaining the solvency of the banks chartered in the State of Texas and to preserve intact the Depositors' Guaranty Fund; to prevent the sacrifice of a large part of the products of the industry now impending and due to calamities and exigencies of war; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values be maintained; to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued by the national government or other relief in the issuance of money or currency made by the national government or authorized to be made by it; to preserve the normal business conditions of the State against the present disturbances brought about by the wars on the continent of Europe and to guard against the repetition of like disturbances due to that or any other cause; and generally, to preserve the credit and industrial and financial integrity of the State.

Sec. 3. The Board of Education shall constitute an organization committee, for the purpose of organizing The Bank of Texas, with power and authority to adopt such rules and regulations and to perform such acts as may be necessary in carrying out the provisions hereof.

Sec. 4. The organization committee herein specified and the Board of Directors of The Bank of Texas after its organization shall establish by-laws for acting upon applications made by banking corporations for membership in The Bank of Texas.

Sec. 5. The capital stock of The Bank of Texas shall not be less than seventeen million eight hundred thousand dollars, but the exact amount thereof shall be shown in the certificate of incorporation and amendments thereof made from time to time, as provided in this act.

The original capital shall consist of the face value of the principal of municipal and other bonds now held by the permanent school fund of the State, of the approximate amount of seventeen million eight hundred thousand dollars, and such additional amounts as may be subscribed and paid in by member banks under the provisions of this act. The original capital of approximately seventeen million eight hundred thousand dollars in municipal and other bonds now owned by the permanent school fund shall be evidenced by bond-certificates issued by The Bank of Texas in convenient denomination specified by the Board of Education, and the interest subscribed and paid in by member banks shall be evidenced by stock certificates of the par value of one hundred dollars each, to be issued to the subscribing member banks. No stock certificate being issued until the full face value thereof has been paid in.

Sec. 6. The State Treasurer shall be trustee for the Board of Education as an organization committee, and, pending the organization of the bank, shall hold the bonds and other securities and cash paid in for the use and benefit of The Bank of Texas during the process of organization, but on completion of which shall deliver such bonds, securities and cash to said Bank.

Sec. 7. The Board of Education shall select from the securities belonging to the permanent school fund of the State in round numbers municipal securities and other bonds of the principal value of approximately seventeen million eight hundred thousand dollars, and designate the same in writing to the Treasurer of the State to be held and delivered as

a part of the capital of the Bank of Texas and shall then proceed to organize said Bank.

Sec. 8. The members of the Board of Education after the designation of the securities aforesaid, shall execute an organization certificate, showing:

(a) The name of said Bank, which shall be "The Bank of Texas," by which name it may sue and be sued, plead and be impleaded;

(b) Its location, which shall be in the State Capitol in the City of Austin, Travis County, Texas;

(c) The amount of capital, which at the time of the execution of the certificate shall be not less than seventeen million eight hundred thousand dollars; but the same shall contain a provision that said capital may be from time to time increased in the manner and to the extent set forth in this act;

(d) The number of shares and bond-certificates evidencing the capital stock and the amount of each;

(e) The names and addresses of all banks which have subscribed to the capital stock of the bank and the number of shares paid for by each;

(f) A description in detail of the municipal and other bonds designated by the Board of Education as a part of the capital of the bank, together with a certified copy under the hand and seal of the State Treasurer of the designation filed with him by the Board of Education.

The organization certificate shall be signed by the members of the Board of Education and acknowledged by them before an officer authorized to take acknowledgments: it shall then be filed with the Commissioner of Insurance and Banking, who shall thereupon issue a certified copy thereof as the charter of The Bank of Texas, which he shall deliver to the Board of Education for delivery to the Board of Directors of said Bank as herein provided.

Sec. 9. Upon the delivery of the charter of The Bank of Texas to the Board of Directors thereof by the organization committee, said Bank shall execute to the Board of Education and their successors in office, for the use and benefit of the permanent school fund of this State, bond certificates of The Bank of Texas, which shall bear interest from the date thereof at the rate of five per centum per annum, all interest payable annually on the first day of September of each year and to be due and payable without condition.

The principal of said bond certifi-

cates shall only be due and payable upon the liquidation of the bank and shall be paid by setting apart to the permanent school fund the pro rata share of the assets of the bank represented by said certificates, the same as if such certificates were shares of stock, subject, however, to the privileges herein given.

For the payment of the interest on said certificates and ultimate redemption of the certificates at their par value upon the liquidation of the Bank the State of Texas shall be responsible; and the Legislature shall from time to time, should any default be made in the payment of the interest herein provided for on said certificates or in their ultimate redemption at face value, appropriate out of the general revenue funds the liquidation of such constitutional obligation.

In addition to the foregoing The Bank of Texas shall at all times maintain on deposit with the State Treasurer interest bearing securities such as the permanent school fund may be invested in and other than its own shares of stock or bond-certificates, in the aggregate principal sum of two millions of dollars for the payment of the annual interest on said bond-certificates and their ultimate redemption in the manner herein set forth and against which securities there shall always exist a first and paramount lien to secure the payment of the annual interest aforesaid and the ultimate redemption of said bond-certificates.

After the payment of the interest aforesaid a cumulative dividend of not exceeding five per centum per annum shall be declared if earned on the membership stock-certificates held by member banks, but any surplus remaining after the payment of the aforesaid interest and dividend shall be paid as if a dividend ratably on the stock-certificates and bond-certificates issued by the Bank.

Sec. 10. Every banking corporation chartered under the general laws of this State shall be required to become a member of The Bank of Texas within a period of fifteen months after this act takes effect, which such corporation shall within sixty days after this act becomes effective signify in writing to the organization committee herein created or to The Bank of Texas, if already organized, its acceptance of the terms and provisions hereof; and within ninety days after this act becomes effective shall have paid into the State Treasury, as trustee, in accordance with the pro-

visions of this act or to The Bank of Texas, if already chartered, one per centum of its authorized capital and surplus; and shall continue so to pay not less than one per centum of its authorized capital and surplus in the same manner each ninety days thereafter until five per centum thereof has been paid in. As such funds are paid to The Bank of Texas either by the State Treasurer as trustee or the member bank, The Bank of Texas shall execute and deliver to the member bank making the payment certificate of membership showing the interest of the member bank in The Bank of Texas and that it is entitled to all the privileges of a member thereof.

Sec. 11. Any State banking corporation failing to signify its acceptance of the terms of this act within sixty days and the amount of its subscription within fifteen months after the passage of this act shall forfeit all the rights, privileges and franchises granted to it under the State banking laws, or under the provisions of this act. A noncompliance with or violation of this act shall, however, be determined and adjudged by any court of competent jurisdiction before such banking association shall be declared dissolved. Such dissolution shall not take away or impair any remedy against such corporation, its stockholders or officers for any liability or penalty which shall have been previously incurred.

Sec. 12. The membership stock-certificates belonging to banks which become members of The Bank of Texas shall be issued to them in their respective names, and the bond-certificates belonging to the permanent school fund shall be issued in the names of those composing the Board of Education and their successors in office for the use and benefit of the permanent school fund of the State.

Sec. 13. Any bank incorporated under the laws of the United States may make application to the directors, or organization committee pending organization, for the right to subscribe the stock of The Bank of Texas. The organization committee or the directors, under such rules and regulations as they may prescribe, subject to the provisions of this law, may permit the applying bank to become a member of said The Bank of Texas. Whenever a national bank shall become a member of The Bank of Texas stock shall be issued and paid for under the rules and regulations in this act provided for State banks which become members of The Bank of Texas.

Should, however, the national government or Comptroller of Currency decline to permit national banks to become members of the Bank of Texas or enjoy the privileges of membership as provided for in this section, still the Board of Directors of The Bank of Texas may in their discretion discount paper and make loans to national banks the same as if they owned stock in and were members of The Bank of Texas.

Sec. 14. The capital stock of such bank shall be divided into shares of \$100 each, to be evidenced by bond-certificates and stock-certificates as herein provided. The outstanding capital stock shall be increased from time to time as member banks increase their capital stock and surplus or as additional banks become members; and may be decreased as member banks decrease their capital stock or are liquidated. The capital stock of The Bank of Texas owned by member banks shall not be transferred or hypothecated, nor shall the bond-certificates owned by the permanent school fund be transferred or hypothecated. When a member bank increases its capital stock or surplus it shall thereupon subscribe for an additional amount of capital stock of The Bank of Texas equal to five per centum of its said increase. A bank applying for stock in The Bank of Texas at any time after the organization thereof must subscribe for an amount of the capital stock of The Bank of Texas equal to five per centum of the paid up capital stock and surplus of said applicant bank, paying therefor its par value, plus its percentage of earned dividends, if any, then on hand. When the capital stock of the bank shall have been increased either on account of the increase of the capital stock of member banks or on account of the increase of the number of member banks the Board of Directors shall cause to be executed a certificate to the Commissioner of Banking showing the increase in the capital stock, the amount paid in and by whom paid. When a member bank reduces its capital stock it shall surrender a proportionate amount of its holdings in the capital of The Bank of Texas; and when a member bank voluntarily liquidates it shall surrender all of its holdings as a member of The Bank of Texas. In either case the shares surrendered shall be cancelled and the member bank shall receive in payment therefor, under regulations to be prescribed by the Board of Directors, a sum equal to its cash-paid subscriptions on the shares sur-

rendered, plus the shares' proportionate part of any undeclared dividends, if any there are, not to exceed the book value thereof, less any liability of such member bank to The Bank of Texas.

Sec. 15. The Bank of Texas shall have all authority conferred by the general law upon State banking corporations, except as limited by this act, and shall have such additional rights and privileges as may be herein granted. Among other things it shall have the right:

(a) To adopt and use a corporate seal.

(b) To have succession for a period of fifty years from the date of its charter unless it is sooner dissolved by an act of the Legislature.

(c) To make contracts.

(d) To sue and be sued, complain and defend in any court of law or equity.

(e) To appoint by its Board of Directors such officers and employees as are not otherwise provided for in this act; to define their duties and to require bonds from them and fix penalty thereof, and to dismiss at pleasure such officers or employees.

(f) To prescribe by its Board of Directors by-laws not inconsistent with the law regulating the manner in which its general business may be conducted and the privilege granted to it by law may be exercised and enjoyed.

(g) To exercise by its Board of Directors or authorized agents all powers specially granted by the provisions of this act and such powers as shall be necessary to carry on the business of banking within the limitations prescribed by this act.

Sec. 16. The Bank of Texas shall be conducted under the supervision and control of a Board of Directors which shall consist of nine members, to be selected in the manner herein specified. Said directors shall be divided into three classes designated as Class A, Class B and Class C, and shall hold office for three years.

Class A shall consist of three members who shall be chosen by the member banks.

Class B shall consist of three members who at the time of their election shall be actively engaged in this State in commerce, agriculture or some other industrial pursuit.

Class C shall consist of three members to be designated by the Board of Education.

No Senator or Representative in the Legislature shall be a member of the Board of Directors of The Bank of Texas or an officer thereof.

No director of Class B shall be a director or employe of any bank.

No director of Class C shall be an officer, director, employe or stockholder of any bank.

Sec. 17. The directors of Class A shall be chosen in the following manner:

The chairman of the Board of Directors of the bank, or pending the appointment of such chairman, the Board of Education as an organization committee, shall classify the member banks of the State into three groups or divisions. Each group shall consist as nearly as may be of one-third of the aggregate number of the member banks and shall be designated by a number.

At a regular or called meeting of the Board of Directors of each member bank there shall be elected by ballot an elector whose name shall be certified to the chairman of the Board of Directors of The Bank of Texas or to the organization committee herein provided for. The chairman or the committee shall make lists of the electors, thus named by banks in each of the aforesaid groups and shall transmit one list to each elector in each group. Each member bank shall be permitted to nominate to the chairman one candidate for director of Class A. The candidates so nominated shall be listed by the chairman or the committee, indicating by whom nominated, and a copy of such list shall within fifteen days after its completion be furnished by the chairman to each director. Every elector shall within fifteen days after the receipt of said list certify to the chairman his first, second and other choices of a director of Class A upon a preferential ballot in the form furnished by the chairman of the Board of Directors of The Bank of Texas or the organization committee. Each elector shall make a cross opposite the name of his first, second and other choices for director of Class A, but shall not vote more than one choice for any one candidate. Any candidate having a majority of all votes cast in the column of first choice shall be declared elected. If no candidate have a majority of all the votes in the first column, then there shall be added together the votes cast by the electors for such candidates in the second column and the votes cast for the several candidates in the first column. If any can-

didate then have a majority of the electors voting, by adding together the first and second choices, he shall be declared elected. If no candidate have a majority of electors voting when the first and second choices shall have been added, then the votes cast in the third column for other choices shall be added together in like manner, and the candidate having the highest number of votes shall be declared elected. An immediate report of the election shall be declared.

Sec. 18. The directors of Class B shall be elected by the elective officers of the Executive Department of the State government, as specified in the Constitution of the State, other than the Governor of the State and the Comptroller of Public Accounts, to wit: the Lieutenant-Governor, Treasurer, Commissioner of the General Land Office and the Attorney General.

These officers shall elect the directors of Class B by ballot under an organization provided and perfected by them for such purpose and shall certify the election of such directors to the organization committee or to The Bank of Texas, as the case may be, from time to time. A majority vote of all those named shall be necessary for the choice and no election shall be held, unless all those named are present and participating, and in no event may this duty be delegated to a deputy or chief clerk, but must be performed by the elective officer himself, if occupying and performing the duties of his office. In the event of the death or resignation of the Lieutenant-Governor, his successor in the performance of the duties of that office shall likewise perform the duties herein specified.

Sec. 19. Class C directors shall be appointed by the Board of Education, one of whom shall be designated by said board as chairman of the Board of Directors of The Bank of Texas. He shall be a person who has had as long as ten years successful experience in the banking business, and in addition to his duties as chairman of the Board of Directors, he shall be a member of the discount committee selected by the Board of Directors of the Bank and shall do and perform such other duties as may be assigned to his office by the Board of Directors. He shall receive, in addition to his salary as director, an annual compensation to be fixed by the Board of Directors, to be paid monthly by the bank.

Sec. 20. At the first meeting of the full Board of Directors of the bank it

shall be the duty of the directors of Classes A, B and C, respectively, to designate one of the members of each class whose term of office shall expire in one year from the date this act becomes effective; one whose term of office shall expire in two years from the date this act becomes effective and one whose term of office shall expire in three years from the date this act becomes effective. Thereafter every director of the bank chosen as hereinbefore provided, shall hold office for a term of three years. Vacancies that may occur in the several classes of directors may be filled in the manner provided for in the original election of such directors, such appointees to hold office for the unexpired term of their predecessors.

Sec. 21. The Board of Directors of The Bank of Texas shall perform the duties usually appertaining to boards of directors of banking institutions, and all such duties as are prescribed by law. Said Board of Directors shall administer the affairs of said bank fairly and impartially and without discrimination in favor of or against any member bank or banks and shall be subject to the provisions of law to extend to each member bank such discounts, advancements and accommodations as may be safely and fairly made with due regard to the claims and demands of other member banks. Each director of The Bank of Texas shall receive, in addition to his actual necessary traveling expenses, when attending any regular or special meeting of the board the sum of twenty (\$20) dollars for each day he may be in actual attendance upon a meeting of the Board of Directors including time consumed in going to and returning therefrom, which said per diem and necessary traveling expenses shall be paid by the bank. The Board of Directors shall meet in regular meeting in the city of Austin, Texas, at least once in each calendar month, and in such special meetings as may be provided for in the by-laws of the bank.

Sec. 22. The Board of Directors shall have authority to elect a president, vice-president, cashier and such other officers as may be necessary in the administration of the affairs of the bank and to fix the salaries and compensation thereof, but neither the president, vice-president, cashier, nor any other officer or employe of the bank shall be a member of the Board of Directors, nor shall any officer or employe of the bank related within the third degree by consanguinity or within the second degree by affinity



to any member of the Board of Directors.

No person who is an employe or officer of the State government, or any of its departments or agencies, shall at the same time be a director, officer, or employe of The Bank of Texas. All directors shall take an oath in writing to faithfully perform the duties of their office, which oath shall be filed in the records of the bank.

The discount committee of the bank shall be composed of the chairman of the board and such other persons as the Board of Directors may designate, who shall do and perform such duties as are usually incident to that position, and such other duties as may be prescribed by the Board of Directors.

Sec. 23. If at any time it shall appear to the Board of Directors that a member bank has failed to comply with the provisions of law governing the conduct of such member bank or the rules and regulations promulgated by the Board of Directors it shall be within the power of said board, after hearing, to require such bank to surrender its stock in The Bank of Texas. Upon such surrender the Board of Directors shall pay the face value of said stock to such bank, plus any earning which at the time may properly be awarded as a dividend on such stock, whereupon such stock so surrendered shall be cancelled and such action as to the cancellation of the membership of such bank in The Bank of Texas shall be certified to the Commissioner of Insurance and Banking, whose duty it shall be thereupon to liquidate the affairs of such member bank. The directors may restore membership upon proof of compliance with the conditions imposed by law, and the rules and regulations promulgated by lawful authority.

Sec. 24. The Bank of Texas shall have power:

(a) To deal in gold coin and bullion at home or abroad and to make loans thereon; to contract for gold coin or bullion, giving therefor when necessary acceptable security, including the hypothecation of any securities which it is authorized to hold.

(b) To buy and sell at home and abroad bonds and notes of the United States, the State of Texas, and any and all classes of county and municipal bonds issued by the State or any incorporated district or division of the State authorized to issue bonds, and bills, notes, or warrants with a maturity from date of purchase of not exceeding

twelve months, issued in anticipation of the collection of taxes or in anticipation of the receipt of appropriated revenues by the State or any county, district, political subdivision or municipality of the State, including irrigation, drainage, reclamation, school and road districts; such purchases to be made in accordance with the rules and regulations prescribed by its Board of Directors.

(c) To purchase from member banks and to sell with or without its indorsement bills of exchange arising out of commercial transactions as hereinbefore defined.

(d) To establish accounts when permitted by the laws of the United States with Federal Reserve Banks organized under the laws of the United States for exchange purposes, and to loan money to or discount paper for any Federal Reserve Bank located in the State of Texas.

(e) To sell and purchase all classes of United States bonds, bonds of the State of Texas, and of any county, municipality or other municipal or political subdivision of the State having the right to issue bonds on a commission basis on such terms as may be agreed upon.

(f) Said Bank shall have authority to act as fiscal agent for any and all municipal corporations of the State and any and all counties, districts or political subdivisions of the State authorized to levy and collect taxes and maintain an account and for any and all school districts, irrigation, drainage and reclamation districts or road district, navigation improvement district and any and all districts incorporated under the laws of Texas, with authority to levy and collect taxes and may act as depository on such terms as may be prescribed by the Board of Directors of any of the political subdivisions, municipalities or districts named.

(g) The Bank of Texas may receive deposits of current funds and lawful money, national bank notes, federal reserve notes or checks and drafts on solvent banks payable upon presentation, from any of its member banks, National bank, Federal Reserve Bank, from the United States, State of Texas, from any city, municipality or incorporated school district of the State of Texas, from any road district, drainage district or any other kind or character of district heretofore or hereafter provided for by the laws of the State of Texas, having the right to levy taxes, and disburse the same and from any kind or character of

municipal corporation under the laws of this State; but it shall not have the right to receive deposits generally from the public.

(h) The Bank of Texas may purchase notes and bonds secured by improved and unencumbered farm lands situated within the State of Texas from any member bank, provided such notes and bonds are secured by vendor's lien, mortgage or deed of trust evidencing a first and paramount lien against the lands in an amount not exceeding 50 per centum of the actual value of the property offered as security, and upon which the interest has never been defaulted within a period of two years; provided the aggregate amount of the funds of the Bank invested in this class of paper shall never exceed at any one time fifteen per centum of its actual paid-in capital. Provided, further, that the Bank shall have the right to sell such notes and bonds, and in the discretion of its Directors indorse the same or guarantee the payment of the principal or interest thereof, and the indorsement or guaranty of such notes or bonds shall not be considered a liability of said bank within the provisions of law limiting the amount of liability which it may create.

(i) Upon the indorsement of any of its member banks, or any National or Federal Reserve Bank, with a waiver of demand, notice and protest of such bank, The Bank of Texas may discount notes, drafts and bills of exchange arising out of actual commercial transactions; that is, notes, drafts and bills of exchange issued or drawn for agricultural, industrial or commercial purposes or the proceeds of which have been used or are to be used for such purposes; the Board of Directors to have the right to determine or define the character of paper thus eligible for discount within the meaning of this act.

Nothing in this act contained shall be construed to prohibit such notes, drafts and bills of exchange secured by staple agricultural products or other goods, wares or merchandise from being eligible for such discount, but such definition shall not include notes, drafts or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds or other investment securities, except bonds of the government of the United States, bonds of the State of Texas, and of the various incorporated municipalities and districts of the State of Texas. Notes, drafts and bills admitted to dis-

count under the terms of this section must have a maturity at the time of discount of not more than ninety days; provided, that notes, drafts and bills drawn or issued for agricultural purposes or based on live stock and having a maturity not exceeding six months may be discounted in an amount to be limited from time to time by the Board of Directors.

The Bank of Texas may discount acceptances of any member bank or of any national bank which are based on the importation or exportation of goods and which have a maturity at the time of discount of not more than six months sight to run, provided that such bills for any such bank shall not at any time aggregate more than one-half its paid-up capital stock and surplus. The aggregate amount of such notes and bills bearing the signature or indorsement of any one person, company, firm, or corporation rediscounted for any member bank or any national bank shall at no time exceed twenty-five per centum of the unimpaired capital and surplus of such bank tendering the same for discount, but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

(j) The Bank of Texas may purchase and sell in the open market, under rules adopted by its Board of Directors, at home or abroad, either from or to foreign or domestic banks, firms, corporations or individuals, cable transfers and bankers' acceptances and bills of exchange of the kind and maturities by this act made eligible for rediscount, with or without the indorsement of a member bank or national bank.

(k) It shall have authority to sell on commission bonds and other evidences of debt lawfully issued by any private corporation chartered under the laws of Texas and operating within this State, but before so doing it shall make a careful investigation into the worth and value of such securities and determine that the same are safe investments viewed from the standpoint of conservative banking. A detailed statement of the investigation made and the conclusion reached shall be preserved in the records of the bank; provided, however, that in no event shall the bank become a purchaser or guarantor of such securities or any part thereof, nor shall the Bank at any time sell stock on commission issued by any private corporation.

(l) The Bank of Texas shall have

authority to maintain banking accounts in foreign countries; to appoint correspondents and establish agencies in such countries wheresoever it may deem best for the purpose of purchasing, selling and collecting bills of exchange and to buy and sell with or without its indorsement, through such correspondents or agents, bills of exchange arising out of actual commercial transactions which have not more than ninety days to run and which bear the signature of two or more responsible parties and also to sell such classes of securities as it is permitted to invest in.

(m) The Bank of Texas shall have authority to borrow money, execute notes and other evidences of debt and pledge its securities as collateral in the same manner and under the same limitations as State banks incorporated under the general banking laws of this State. It shall likewise have the right to rediscount any notes, bills, securities or other evidences of debt held by it, and in its discretion indorse or guarantee the payment of same.

(n) The Bank of Texas shall have the right to issue circulating notes when authorized so to do by the laws of the United States and in so doing shall conform in respect thereto to the laws of the United States.

(o) The Bank of Texas shall have authority to become a member of the Federal Reserve Bank of the district in which it is located under such terms and limitations as may be prescribed by the laws of the United States and such rules and regulations relative thereto as may be promulgated by lawful authority.

Sec. 25. The Bank of Texas shall be the Fiscal Agent of the State of Texas and all general and special funds now or hereafter placed in the State Treasury which may under the Constitution be placed in a depository shall be deposited in the Bank of Texas to the credit of the State Treasury and maintained as separate and distinct funds in the same manner as the same is now maintained in the State Treasury, the State Treasurer paying warrants drawn upon him by checks drawn against the several funds in the Bank of Texas; provided, however, funds which the State has agreed shall be placed in the State depositories shall remain in such depositories until the expiration of the time for which such depositories were selected, after which such funds shall be placed in The Bank of Texas and shall not again be placed in State depositories.

All funds transferred from the State Treasury and deposited in The Bank of Texas shall bear interest on daily balances at the rate of two per cent per annum, which interest shall be credited to the particular fund earning the same, including the depositors' guaranty fund. It shall be its duty to cash State warrants of every kind and character lawfully drawn against the State Treasurer, whether there shall be at the particular time such warrants are presented funds to the credit of the Treasurer or otherwise, provided, however, that if no funds are in the bank to the credit of the Treasurer or to the credit of the particular fund against which the same is drawn, then the bank shall be paid by the State two per cent interest per annum on daily over drafts.

The Available School Funds, University Funds, and funds belonging to the Agricultural and Mechanical College of the State and all funds of any kind or character belonging to any of the State institutions shall be deposited in The Bank of Texas and shall there remain until drawn therefrom in payment of the obligations lawfully payable out of such funds, and the bank shall credit each of such funds with interest on daily balances at the rate of two per cent per annum; provided further, that the available school fund shall not be distributed to the various counties of the State, except as the same may be required to pay accrued obligations of the schools of each county, but the same shall be apportioned to the various counties and cities and towns and each school district having control of its public schools of the State and as apportioned shall be deposited to the credit of such counties, cities, towns and school districts in the Bank of Texas and to remain and be paid out on warrants, checks or drafts drawn by the proper lawful authority in payment of obligations payable out of the same as such obligations accrue and become due and payable.

All the available school fund of this State shall be kept on deposit with the Bank of Texas hereby created and the Comptroller shall on the first working day of each month and at the time of making the certificate to the State Superintendent of Public Instruction of the amount of money collected during the preceding month as provided in Article 2745, Revised Statutes of 1911, draw his warrant on the State Treasurer for the total amount of money collected from every source during the preceding

month and on hand to the credit of the available school fund, which warrant shall be registered and transmitted by the Comptroller to the State Treasurer, who shall deposit the same with the Bank of Texas.

At the time of making and filing with the Comptroller the certificate prorating the State available school fund to the several counties, cities and towns and school districts constituting separate school organizations, as is provided by Article 2745 and Article 4519, Revised Statutes, 1911, the State Superintendent of Public Instruction shall make a duplicate of such certificate, which duplicate shall be by him forwarded to The Bank of Texas, upon receipt of which and of the deposit of the State available school fund as herein provided it shall be the duty of the Bank of Texas to open accounts with each of the counties, cities and towns and school districts constituting separate school districts and to place to the credit of the respective accounts the amounts as shown by said certificate.

It is further provided, however, that The Bank of Texas shall pay all lawful checks, drafts or warrants drawn in payment of teachers' salaries or other expenses lawfully payable out of any school funds on deposit or to be deposited with it whether such funds be actually in the bank or not, but it shall be entitled when such funds are collected and paid into the bank to charge two per cent per annum as interest on the daily overdrafts of each account. All checks, drafts or warrants shall be cashed at par without discount by The Bank of Texas or any member bank.

Sec. 26. The Bank of Texas shall maintain reserves in gold or other lawful money of not less than thirty-five per centum against its demand deposits, but it shall be the policy of the bank to maintain such reserves in gold so far as practicable.

Sec. 27. Every member bank shall receive on deposit at par checks, drafts or exchange drawn by any member bank against its deposits in the Bank of Texas, and every member bank shall receive on deposit at par or shall cash at par all checks, drafts or warrants drawn by lawful authority upon any deposit in The Bank of Texas.

Sec. 28. All banks and banking corporations chartered by the laws of this State which become members of The Bank of Texas and which do not become members of a Federal reserve bank under the Federal Reserve Act, shall as to

their reserves be governed as follows: All of said reserves which they are or may be permitted by law to keep in any bank or banking corporation and not in their own vaults shall be kept in The Bank of Texas; provided, however, that they shall be permitted twelve months after the organization of The Bank of Texas to transfer to said bank one-third of said reserves and an additional one-third within the next succeeding twelve months, and the entire amount within a period of thirty-six months.

As to banks which become members of a Federal reserve bank they shall keep on deposit in The Bank of Texas a sum of money equal to one-half of the amount of reserves which they may be permitted by law to retain in their own vaults or in the Federal reserve bank of which they are members, and shall have the same time within which to make such a deposit as is permitted them bringing their reserves into conformity with the Federal Reserve Act.

Sec. 29. The Bank of Texas in the discretion of the Board of Directors and under such rules and regulations as they may prescribe may receive from member banks as the reserve requirement herein required not exceeding one-half thereof in eligible paper, properly endorsed, and acceptable to The Bank of Texas, but such paper shall be collected by the bank depositing the same and the proceeds thereof remitted to The Bank of Texas.

Sec. 30. The Bank of Texas shall not at any time be indebted or in any way liable except as in this act specified to an amount exceeding the amount of its capital stock at such time actually paid and remaining undiminished by loss or otherwise except on account of demands of the nature following:

(a) Circulating notes issued under the laws of the United States.

(b) Moneys deposited with or collected by it.

(c) Bills of exchange or drafts drawn against money actually on deposit to the credit of the corporation or due thereto.

(d) Liabilities to its stockholders and bond-certificate holders or dividends, interest and reserve profits.

(e) Liabilities incurred under the provisions of the Federal Reserve Act.

Sec. 31. The Board of Directors shall cause to be transmitted weekly to the Commissioner of Insurance and Banking and to the Governor reports of the condition of the affairs of the Bank, a copy

of which reports shall also be given to the press of the State for publication.

Sec. 32. The Bank of Texas shall be governed by the general banking laws, civil and criminal, of this State the same as State banks incorporated under such laws, except in such instances where such laws are in conflict with the provisions of this act, in which case this act shall govern; provided, however, that the charges made against The Bank of Texas for examinations made by the Commissioner of Banking, or under his direction, shall be limited to the actual cost to the Department of Insurance and Banking for making such examination, including the salaries of the examiner or examiners making the same.

The chairman of the Board of Directors of The Bank of Texas shall have access to the examiners' reports on file in the office of the Commissioner of Insurance and Banking at all times, for the purpose of determining the solvency of any member bank.

All officers and employees of The Bank of Texas shall give such bonds payable to the Bank as may be fixed by the Board of Directors.

Sec. 33. If any member bank shall be declared insolvent or liquidated for any reason the stock held by it in The Bank of Texas shall be cancelled without impairment of its liability, and the interest represented thereby be first applied to all debts of the insolvent or liquidated bank to The Bank of Texas and the balance of it, if any, shall be paid to the proper authority in charge of the liquidation of the insolvent or liquidating bank.

Sec. 34. Neither the assets, property, stock nor bond certificates of The Bank of Texas or any income derived therefrom shall be subject to any form of taxation in this State, but shall be exempt from all forms of taxation because an agency of the State in use for a public purpose.

Sec. 35. The organization committee herein provided for shall have authority to employ such help and incur such other expense as may be necessary in organizing The Bank of Texas, for which purpose two thousand five hundred dollars is hereby appropriated out of any funds in the Treasury not otherwise appropriated for the fiscal year ending August 31, 1915.

Sec. 36. The Bank of Texas may begin actual banking operations in accordance with the terms of this act as soon as the Board of Directors may determine that it has sufficient capital, cash and

securities so to do. When said directors have made such determination, they shall note the same of record on the minutes of the board and the chairman thereof shall transmit to the Governor a certified copy thereof with sufficient notice that the Bank is ready to begin operations under the terms of this act.

Sec. 37. The importance of the legislation proposed in this act and the near approach of the end of this session of the Legislature, creates an emergency and an imperative public necessity requiring that the constitutional rule providing that bills shall be read on three several days in each house shall be suspended and said rule is so suspended and this act shall take effect and be in force from and after its passage, and it is so enacted.

#### NINETEENTH DAY.

Senate Chamber,  
Austin, Texas,

Wednesday, September 16, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.	Henderson.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Carter.	McGregor.
Clark.	McNealus.
Collins.	Nugent.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Westbrook.
Harley.	Wiley.

Absent.

Brelsford. Terrell.

Absent—Excused.

Hudspeth. Willacy.  
Morrow.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Johnson.

See Appendix for petitions and memorials and standing committee reports.

Morning call concluded.

SENATE CONCURRENT RESOLUTION  
NO. 6.

By unanimous consent, Senator Johnson offered the following resolution:

Senate Concurrent Resolution No. 6:

Be it resolved by the Senate of Texas, the House of Representatives concurring, That the Second Called Session of the Thirty-third Legislature fix Saturday, September 19th, at twelve o'clock noon as the hour for sine die adjournment of said Second Called Session.

The resolution was read and Senator Collins moved that the same be laid on the table subject to call. Pending the discussion on the motion a message from the Governor was received.

The motion by Senator Collins to lay the resolution on the table subject to call was adopted by the following vote:

Yeas—15.

Bailey of DeWitt.	Nugent.
Carter.	Taylor.
Collins.	Townsend.
Conner.	Warren.
Gibson.	Westbrook.
Greer.	Wiley.
Hall.	Willacy.
McGregor.	

Nays—8.

Astin.	Henderson.
Clark.	Johnson.
Cowell.	Lattimore.
Darwin.	Real.

Present—Not Voting.

McNealus.

Absent.

Bailey of Harris.	Harley.
Brelsford.	Terrell.

Absent—Excused.

Hudspeth.	Watson.
Morrow.	

SENATE CONCURRENT RESOLUTION  
NO. 7.

By unanimous consent, Senator Wiley offered the following resolution:

Senate Concurrent Resolution No. 7:

Whereas, The Second Called Session of the Thirty-third Legislature is nearing its close; and

Whereas, Many members have private business that demands their attention and can ill afford to give their time to a third called session; and

Whereas, The warehouse and market-

ing legislation has not been completed; and

Whereas, The Governor contemplates submitting the question of the establishment of a great banking institution, which will require a great deal of careful thought and labor upon the part of the members of the two houses,

Therefore, be it resolved by the Senate, the House concurring, That we adopt the following procedure as a rule governing the session of the two bodies: Convene in session at 9 a. m. and recess at 12 m. to 2 p. m., continue in session to 6 p. m., and recess until 8 p. m., and continue in session until 10 p. m., at which time we may adjourn or recess, as the occasion may demand; and

Resolved, That this order of procedure shall be continued uninterrupted throughout the remainder of this session, unless altered or changed by a vote of four-fifths.

Signed—Wiley, Carter, Lattimore, Greer, Collins, Clark, Real, Henderson, Conner, Willacy, Gibson, Nugent and Hall.

The resolution was read and Senator Johnson moved to table the same, which motion was lost by the following vote:

Yeas—9.

Astin.	Lattimore.
Cowell.	McNealus.
Darwin.	Taylor.
Gibson.	Westbrook.
Johnson.	

Nays—16.

Bailey of DeWitt.	Henderson.
Bailey of Harris.	McGregor.
Carter.	Nugent.
Clark.	Real.
Collins.	Townsend.
Conner.	Warren.
Greer.	Wiley.
Hall.	Willacy.

Present—Not Voting.

Harley.

Absent.

Brelsford.

Terrell.

Absent—Excused.

Hudspeth.  
Morrow.

Watson.

Action recurred on the resolution and Senator Conner offered the following amendment:

Amend the resolution by striking out the words "the House concurring."

The amendment was adopted.

The resolution, as amended, was adopted.

#### MESSAGE FROM THE GOVERNOR.

The Chair laid before the Senate the following message from the Governor, received earlier in the day:

Governor's Office,  
Austin, Texas, September 15, 1914.

To the Senate and House of Representatives:

In harmony with clause 2 of the proclamation convening the Thirty-third Legislature in extra session, and with Section 40, Article 3, of the Constitution of Texas, I hereby present to you for consideration the following additional subject, to-wit:

The passage of an act providing for the incorporation and organization of "The Bank of Texas" for the purpose of providing a fiscal agency for the State, its counties, municipal corporations and all districts heretofore or hereafter created, with the power to levy and collect taxes and issue bonds or to expend the public funds, to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, find a ready and sufficient market for bonds and other obligations, obtain cash against unmatured and uncollected tax levies, and generally to furnish an agency of sufficient capital and authority to maintain the financial affairs of the State and its various governmental agencies in a sound and efficient manner. To furnish a safe and lucrative investment for the permanent school fund of the State with a definite and certain return and to provide for the increase of said funds. To enable the holders of all school warrants drawn against the available school fund, uncollected at the time of their issuance, to obtain cash thereon without discount thereof. To provide a reserve bank in aid of the general banking system of the State; to assist in maintaining the solvency of the banks chartered in the State of Texas and to preserve intact the depositors' guaranty fund; to prevent the sacrifice of a large part of the products of the industry now impending and due to calamities and exigencies of war; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be

collected and taxable values be maintained; to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued by the national government or other relief in the issuance of money or currency made by the national government or authorized to be made by it; to preserve the normal business conditions of the State against the present disturbances brought about by the wars on the continent of Europe and to guard against the repetition of like disturbances due to that or any other cause; and generally, to preserve the credit and industrial and financial integrity of the State.

I attach to this message copy of a bill which has been prepared by the Attorney General's Department at my request, having for its purpose the carrying into effect of the proposition above submitted. The banking acts of all the principal commercial countries, including that of the United States, have been carefully examined, and the bill hereto attached is very largely based upon the act of Congress creating the regional national bank system, with such variations or changes as are needed to make it adaptable to the creation and government of The Bank of Texas, harmonizing the same with national and state banking laws. I can assure the Legislature, therefore, that for the purposes of the State the suggestions in the bill are as safe and sound as the regional banking system of the United States.

In presenting to you this subject of legislation, I am not unmindful of the objections which will be urged against it, nor do I underestimate the influence of the forces that will oppose its passage. Nevertheless, it is a question which calls for action at this time, and the very inertness which gives rise to its presentation shows the necessity for the measure.

The coinage of money and emitting bills of credit is a function of the Federal government. In the exercise of its powers, Congress has provided for the issuance of emergency currency by national banks to meet such situations as are now menacing our prosperity and threatening our agricultural classes with ruin. The national bank is an agency of the national government. These agencies of the national government in Texas, under the rulings of the Secretary of the Treasury, can issue more than seventy-five million dollars of currency to meet present emergencies, but they are not

doing it. The Secretary of the Treasury has issued a circular offering to accept warehouse receipts on cotton and tobacco when accompanied by the note of the bank as a basis of issuing currency at a rate of seventy-five per cent of the face value of such notes. The banks will not accept his offer because it involves upon their part the guarantee of the difference in the face value of their note attached to the warehouse receipts deposited with the Secretary of the Treasury, and the amount of the currency which they would issue under this ruling. The result is that banks are indisposed to make advances on cotton in excess of forty or fifty per cent of its actual value.

The Legislature fully understands that the great European war now in progress has made the exportation of cotton impractical, and taken away from our cotton farmers the European market as bidders for the product of their labor. These conditions make it necessary to provide for advancing on cotton to enable the owners thereof to obtain ready money to meet their pressing obligations. The Legislature has patriotically responded to public sentiment and demands, and passed a public warehouse law giving the State's guarantee of the warehouse receipt, thus making cotton unusually attractive collateral and basis for credit.

The plan which I am submitting to you has long been in my mind. I suggested it as a relief for the bankers panic in 1907, when, notwithstanding there was a plentifulness of money, the banks of this State had their balances tied up in New York, and were compelled to suffer on account of the New York bankers panic. The measure which I am offering you will enable the State of Texas in the future to meet such emergencies without harm, injury or injustice to the business interests of this State. I suggested in letters to members of Congress last year when the currency legislation was pending, an amendment to the national banking law which would permit the incorporation of such bank as I am now recommending under the national banking act, with power to issue bank notes, and subject to the regulations of a national bank, but without authority to accept deposits.

There are now, in round figures, \$17,800,000 of gold bonds in the State Treasury belonging to the public school fund. These securities are dormant. The measure and plan herewith submitted will vitalize these securities and make

them serve a double purpose, to wit: Furnishing ready circulating medium on a sound banking basis to relieve distressed conditions; and at the same time increase the income to the available public school fund.

It will be urged against this measure that to do as is proposed will divert the public school fund, contrary to the Constitution. The measure has no such purpose. On the contrary, while it will enlarge the scope of investment, it will increase the income of the available school fund, thereby aiding in lengthening the sessions of the public schools of this State, and inure to the benefit of every child in Texas. Opponents of the proposition are already citing Section 5 of Article 7 of the Constitution, from which the following excerpt is taken:

"No law shall ever be enacted appropriating any part of the permanent or available school fund to any other purpose whatever; nor shall the same or any part thereof ever be appropriated to or used for the support of any sectarian school."

The foregoing provision of the Constitution in no way refers to the investment of the public school fund. The purpose of the provision quoted was to prevent the Legislature from diverting the school fund to the support of sectarian schools or to meet the general expenses of the State government. The purpose of the measure herewith submitted for the consideration of the Legislature is to enlarge the field of investment for the school fund and employ The Bank of Texas as a means and agency of the State to increase the revenues and income from the permanent school fund for use in the education of the children of the State, and at the same time utilize the securities belonging to the school fund to protect the credit, to meet emergencies like that which we are now confronting, to preserve normal business conditions and prevent bankruptcy and ruin of our agricultural classes, by supplying currency and credit to the banks of Texas and to the people themselves on their agricultural collaterals.

Section 4 of Article 7 of the Constitution contains the following provision:

"The Comptroller shall invest the proceeds of such sales, and of those heretofore made, as may be directed by the Board of Education herein provided for, in the bonds of the United States, the State of Texas, or counties in said State, or in such other securities, and under



such restrictions as may be prescribed by law, and the State shall be responsible for all investments."

The Constitution of 1876 limited the investment of the permanent school fund in the bonds of the United States or of the State. In 1883 the people of Texas adopted an amendment to the Constitution enlarging the list of securities in which the public school fund could be invested. That amendment authorizes Legislature to prescribe any additional sureties, besides bonds of the United States and State of Texas or counties of the State which the Legislature may deem secure. In pursuance of such latitude the Legislature has authorized the investment of said permanent school fund in the bonds of cities and towns and school districts of the State. But it cannot be consistently urged that the investment of the school fund in these bonds is a permanent investment. It is in the nature of a loan, for governments issue their bonds for the purpose of borrowing money. The State of Texas in this case becomes the endorser of all purchases for the benefit of the public school fund which the Legislature may authorize the Boards of Education to invest the school fund in.

I remember very well that the first vote I ever cast was for the amendment to Section 4 of Article 7 of the Constitution, as above referred to. My employer at the time vehemently opposed the enlargement of the list of securities in which the school fund could be invested. Notwithstanding this fact, I believed the amendment a wise one, and cast my first vote for it. I believe that those who oppose the proposition which I now submit for the relief of Texas, and for her financial emancipation, will in the future see the un wisdom of their opposition to this measure. The proposition is as sound and stable as the State itself.

We are now confronting a condition which neither corporations nor individuals can cope with. National banks are authorized to issue emergency currency to meet such a condition. Congress has provided for the establishment of regional banks to furnish currency and credit, but these regional banks have not been organized. Banks in Texas with a surplus of money are loath to let it go until the regional banks are organized and are in a position to help them replenish their supply. For the State of Texas to take steps to utilize the dormant securities for which the State is responsible and make them do the work

of a great financial artery is but the part of wisdom and business prudence.

I shall not worry the Legislature by discussing these constitutional phases of the matter, however, for it must be apparent to all persons with open minds seeking the best remedy for existing evils that the Legislature clearly has the authority to enlarge the field of investment for the permanent school fund. There is no doubt whatever but that the State Board of Education has the authority, for it has often exercised it, to sell or permit to be redeemed bonds which have been purchased by it that were not due, and reinvest the money derived from their sale in other securities prescribed by law. The State Board of Education, if it desired to do so, could sell all of the bonds now in the State Treasury, and if the Legislature authorized it could reinvest the proceeds from the sale thereof in warehouse receipts for cotton guaranteed by the State.

There is no sort of question but that the bill which the Legislature has just passed, guaranteeing warehouse receipts, has inspired confidence, and caused the price of cotton to materially advance. In my humble opinion, if the subject herewith submitted to you is promptly enacted into law, thus further stimulating confidence and giving guarantees by the State of its good faith and intention to help protect the reasonable values of the field and farm, there will be even under distressed conditions, a still further very substantial advance in the price of cotton.

I know it will be urged that we are endangering the sacred school fund. The bank which it is proposed to establish and capitalize in part with the securities belonging to the school fund, with the guarantees of State bank deposits and the guarantees by the State of warehouse receipts, makes the institution safe and sound for the public permanent school fund. It is beyond human wisdom to establish or maintain an institution where "neither moth nor rust doth corrupt, nor thieves break in and steal." I shall therefore make no contention that such perfection is possible. But, so far as practical, the measure proposed gives security to the sacred school fund, and gives greater promise for an increased income by way of interest for annual expenditures for public education.

It may be contended that the collaterals in the shape of bonds now lying dormant in the State Treasury of Texas

ought not to be disturbed, nor used as a basis for currency and credit for use under normal conditions, or to meet emergencies. No prudent man whose business and prosperity was in jeopardy, who had such securities locked up in a vault, would hesitate to utilize them to protect his property in reasonable value. The argument of those who take this position reminds me of the parable of the slothful servant. You will remember that he took the talent of his Master and buried it in the ground in order to be sure that, when his Master returned, he might come and bring the very talent which he received from his Master's hand. The Master condemned, you will remember, this lack of thrift, and commended the other servant who had increased his talent three-fold.

Utilizing the dormant collaterals belonging to the public school fund and bringing all of the State banks together in interest with The Bank of Texas, would make a tower of strength for the protection of the people, because it will bring the banking system and the control of large sums of money closer to them. In addition, it would be the means, in my opinion, of more than doubling the amount of money which we are now receiving from that part of the permanent school fund so used for the maintenance of public schools. It is proposed to capitalize the bank at \$20,000,000, \$17,500,000 to be taken by the State Board of Education for the school fund with the bonds now owned by it. The State banks are required to become subscribers to the capital stock in the sum of \$2,500,000. Provision is made for national banks likewise to become interested in The Bank of Texas if the laws under which they are chartered will permit, and they care to do so. The income from the school fund's interest is to be added to the available school fund for the support of public education.

I have already submitted to you the subject of amending the present State banking laws so as to bring them in touch and harmony with the Federal system in so far as is necessary for State banks to join currency associations and become stockholders in the regional bank; also harmonizing the requirement as to reserve of State banks with that required for national banks. I suppose it will not be denied, however, that the small State banks in the small towns or country communities, furnish more money direct to the farmers to aid in the production of a crop

than the city banks do. The Commissioner of Insurance and Banking tells me that there are over four hundred State banks with capital less than is required to join the Federal Reserve Association. He has cited me to a bank in a small village in the midst of a prosperous farming community with a paid up capital stock of \$15,000, which is carrying loans to farmers amounting to over \$37,000. In times of emergency like the present The Bank of Texas, a great, strong institution as it is proposed to establish, could strengthen and help banks in such communities, which are perfectly solvent, to carry on their business and aid the producers in the development of the country.

In fact, I do not believe that there are but few valid objections that can be offered to the measure herein proposed. The substantial benefits to be derived from the measure by the school fund, by the State, by the banks themselves, to the farmers and the whole people, are so great that they make the objections that can be offered appear as naught.

I will not in this message go into a detailed explanation of the different provisions of the bill, for I am taking the liberty to attach the bill, which explains itself, as a part of this communication. The measure is simple in its construction, and, as already pointed out, is in harmony with Federal statutes on the same question. The bill as drawn has been thoroughly considered and worked out, and I take this occasion to make acknowledgments to the Attorney General's Department for their faithful co-operation in preparing the measure, which I submit to you as a suggestion and a basis to work upon, with due apologies to the Legislature for imposing upon them the detailed ideas set out in the bill. I believe its passage will mean the dawn of a new era in Texas and the State's financial emancipation. I respectfully solicit a broad-minded and patriotic consideration of this very important subject. Its prompt passage by this Legislature would be a monument to its wisdom and sagacity, and the people of Texas in future generations will bless the names of those who help to put this measure upon the statute books, and thereby organize a great financial institution which can take care of the needs of the people of Texas in cases of emergency.

In concluding this message, it gives me genuine pleasure to congratulate the Legislature for the faithful and patri-

otic manner in which it has dealt with the important matters heretofore submitted to this special session. I know the people will applaud you for this faithful service. The passage of an act for the establishment of The Bank of Texas will be the crowning glory of the session.

Respectfully submitted,  
O. B. COLQUITT,  
Governor of Texas.

[Note.—The bill referred to in the above message does not appear here for the reason that it was printed in the Journal of yesterday, which was by the direction of the President of the Senate.—Journal Clerk.]

#### MOTION TO RECONSIDER VOTE ON SIMPLE RESOLUTION.

Senator Terrell here moved to reconsider the vote by which the resolution, providing for sessions of the Senate for the remainder of the session, was adopted.

The motion to reconsider the vote was adopted by the following vote:

##### Yeas—15.

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Cowell.	Nugent.
Darwin.	Taylor.
Gibson.	Terrell.
Hall.	Westbrook.
Harley.	

##### Nays—12.

Carter.	McGregor.
Clark.	Real.
Collins.	Townsend.
Conner.	Warren.
Greer.	Wiley.
Henderson.	Willacy.

##### Present—Not Voting.

McNealus.

Absent.

Brelsford.

Absent—Excused.

Morrow.

Watson.

Senator Terrell made the point of order on the resolution that the Senate could not be bound by a simple resolution relating to holding of sessions.

The point of order was overruled.

Senator Terrell moved to table the resolution, which motion to table was adopted by the following vote:

##### Yeas—15.

Astin.	Johnson.
Bailey of Harris.	McGregor.
Cowell.	McNealus.
Darwin.	Nugent.
Gibson.	Taylor.
Hall.	Terrell.
Harley.	Westbrook.
Hudspeth.	

##### Nays—12.

Carter.	Lattimore.
Clark.	Real.
Collins.	Townsend.
Conner.	Warren.
Greer.	Wiley.
Henderson.	Willacy.

##### Present—Not Voting.

Bailey of DeWitt.

Absent.

Brelsford.

Absent—Excused.

Morrow.

Watson.

#### HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 16, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that House has passed the following bills:

H. B. No. 4, A bill to be entitled "An Act to create a State bonded warehouse system and afford a method of co-operative marketing for those engaged in the production of farm and ranch products and for the purpose of effectuating this and creating the office of State Warehouse Commissioner, to be appointed by the Governor, with the advice of the Senate; defining the authority of the Commissioner and giving him powers of visitation over the corporations chartered under this act; as a part of the system authorizing the formation of State bonded warehouse corporations on the mutual plan, to be under the supervision and control of the State Warehouse Commissioner; defining the purpose, power and authority of such corporation and regulating the chartering, management and business of same; defining and prescribing the receipts to be issued by State bonded warehouse and the rights of the respective parties thereunder, and provid-

ing the law, rules and regulations governing the same; stating the business which may be conducted by State bonded warehouses as incidents of their warehouse and marketing business; declaring gins to be subject to a public use and requiring that all ginner in the State shall after July 31, 1915, obtain a license from the State Warehouse Commissioner and give bond so to do, and prescribing certain rules and regulations relative to the ginning and baling of cotton and sampling the same; authorizing the State Warehouse Commissioner to employ the services of a chief clerk, defining his duties, and also the necessary clerical help, office force and examiners, and creating the office of State warehouse examiners, defining their authority, duties and compensation; prescribing the salary of the State Warehouse Commissioner and his chief clerk; vesting the authority now vested by law in the Commissioner of Insurance and Banking with reference to public warehouses in the State Warehouse Commissioner, and transferring the archives in the office of the Commissioner of Insurance and Banking with reference to warehouse corporations to the office of the State Warehouse Commissioner, but providing that this section does not apply to the law passed by the present session of the Legislature with reference to the establishment of State warehouses as an emergency measure by the Commissioner of Insurance and Banking; creating and defining offenses in violation of the act, and prescribing penalties therefor; making appropriation for carrying the act into effect, and declaring an emergency," with engrossed riders.

H. B. No. 10. A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling or operating a cotton seed oil mill, and of owning, controlling, or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill from owning, controlling or operating, directly or indirectly, a public cotton gin in this State, providing suitable penalties, forfeiture and procedure for enforcing this act, prohibiting any interference with, or restrictions of, competition in the sale, handling, or marketing of cotton seed, giving all corporations engaged in the business of operating cotton seed oil mills, that now own, control or operate public cotton gins nine months from the taking effect of this act, to sell or otherwise

dispose of their gin properties and interests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cotton seed oil mill business to be in any manner engaged or in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association, or partnership, so engaged, providing penalties, punishments, and procedure for all corporations and persons violating this act," with engrossed rider.

Also, the House concurs in Senate amendment to House bill No. 12, by the following vote: Yeas 98, nays 0.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

#### HOUSE BILLS REFERRED.

The Chair, President Pro Tem. Warren, referred to committees, after their captions had been read, the following bills:

House bill No. 4, referred to Committee on Commerce and Manufactures.

House bill No. 10, referred to Judiciary Committee No. 1.

#### SENATE BILL NO. 11.

Action recurred on the pending business, Senate bill No. 11, the question being on the pending amendment by Senator McGregor. (The amendment will be found in yesterday's Journal.)

Senator McGregor moved that further consideration of the bill be postponed until such time as the Journal containing the amendment to the bill shall have been laid on the desks of the Senators, which motion was adopted.

#### SENATE BILL NO. 5.

Action here recurred on the pending business. Senate bill No. 5, last considered on the 9th instant.

On the ninth instant, when this bill was under consideration, Senator Astin made a point of order that the bill was not germane to the subject matter submitted by the Governor. Senator Lattimore was presiding at the time the point of order was made and withheld a ruling and was, at this time, called to the chair for the purpose of passing

on the point of order. The point of order was overruled.

Action recurred on the bill, and,

Senator Wiley offered the following amendment, which was read and adopted:

Amend the bill, line 30, page 1, by striking out the words "a commissioner" and insert the words "the Department of Insurance and Banking under a subdivision of that department to be known as the Department."

Senator Wiley offered the following amendment:

Amend the bill, page 2, line 5, by striking out the word "Governor" and insert the words "Commissioner of Insurance and Banking," and strike out the words "by and with the advice and consent of the Senate, a Commissioner," in lines 5 and 6, and insert the words "Chief Clerk of the Department."

Senator Astin offered the following substitute for the amendment:

Amend the bill on page 2, by striking out all of Articles 3, 4, 5 and 6.

The substitute was adopted and the amendment, as substituted, was adopted.

Senator Wiley offered the following several amendments, which were read and adopted, being acted on separately:

(1)

Amend the bill, page 3, line 14, by striking out the word "Commissioner" after word "said" and insert the word "Department," and strike out the word "Commissioner" in lines 14 and 15 and insert the word "Department"; and strike out the words "Co-operative Cotton Marketing" in line 21 and insert the words "Insurance and Banking."

(2)

Amend the bill, page 4, line 16, by striking out the word "Commissioner" and insert the words "Chief Clerk of the Department," and strike out the word "four" and insert the word "three" in line 17, page 4.

(3)

Amend the bill, page 4, lines 19 and 20, by striking out the words "Co-operative Cotton Marketing" and insert the words "Insurance and Banking."

(4)

Strike out the word "Commissioner" in line 27, page 4, and insert the words "Chief Clerk of the Department"; and strike out the words "Co-operative Cotton Marketing" in line 12, page 5, and

insert the words "Insurance and Banking," and strike out the words "Co-operative Cotton Marketing" in lines 23 and 24, page 7, and insert the words "Insurance and Banking," and strike out the words "Co-operative Cotton Marketing" in line 25, page 8, and insert the words "Insurance and Banking."

(5)

Amend the bill by inserting the following after the word "Banking" in line 26, page 4:

"The Commissioner may require State Bank Examiners to make examinations under the provisions of this act."

(6)

Amend the bill, page 9, line 5, by striking out the words "Commissioner of Co-operative Cotton Marketing" and insert the words "Secretary of State" and the Secretary of State shall issue to such applicant a charter, after approval of application, under the provisions of this act.

(7)

Amend the bill as follows, page 10, lines 3 and 4 by striking out the words "Commissioner of Co-operative Cotton Marketing" and insert the words "Secretary of State"; page 10, lines 5 and 6 by striking out the words "Commissioner of Co-operative Cotton Marketing" and insert the words "Secretary of State"; page 11, lines 25 and 26 by striking out the words "Co-operative Cotton Marketing" and insert the words "Secretary of State."

(8)

Amend the bill, page 11, line 17, by inserting the following after the word "cotton": "Should any member fail or refuse to margin his cotton when so demanded, the association holding the cotton may proceed to sell the cotton pledged as security to secure loans made to the member which sale shall be made privately and in the due and regular course of the cotton trade, and the association may become the purchaser of the cotton. The proceeds of any such sale shall first be applied to the payment of loans and charges held against the cotton, and the remainder, if any, shall be paid to the party justly entitled thereto."

(9)

Amend the bill, page 11, line 25, by striking out the words "Commissioner

of Co-operative Cotton Marketing" and insert "Secretary of State."

(10)

Amend the bill, page 13, line 29, by inserting the following after the word "futures": "Provided, that any co-operative cotton marketing association may buy cotton for the purpose of collecting a debt or charges due it, and provided any such association may accept cotton at the current market price, or time of actual delivery, in payment of stock subscriptions."

(11)

Amend the bill, Section 3, by striking out the words "Commissioner of Co-operative Cotton Marketing" wherever it may appear, and insert the words "Commissioner of Insurance and Banking."

#### RECESS.

On motion of Senator Gibson, the Senate, at 12:07 o'clock p. m., recessed until 2:30 o'clock today.

#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.

#### SENATE BILL NO. 5.

Action occurred on the pending business, Senate bill No. 5, and,

Senator Lattimore offered the following amendment, which was read and adopted:

Amend bill, by striking out the word "article" wherever same occurs and insert in lieu thereof the word "section" and by striking out the word "section" wherever it occurs and insert in lieu thereof the word "article," and by renumbering the sections and articles.

Senator Wiley offered the following several amendments, which were read and adopted, being acted on separately:

(1)

Amend the bill, page 20, by adding a new section following Section 28, to be numbered as Section 29, and to read as follows, and renumber Sections 29 and 30:

"Section 29. The sum of three thousand dollars or so much thereof as may be necessary is hereby appropriated out of the general fund of the State, not heretofore appropriated, for the use of the Department of Co-operative Cotton Marketing."

(2)

Amend the caption of the bill as follows:

Strike out all of line 9 after the word "assistants," and by striking out all of lines 10, 11 and 12 down to and including the word "marketing" in line 12. Strike out the words "Co-operative Cotton Marketing" in line 14 and insert the words "Insurance and Banking"; making appropriation.

The bill was read second time and ordered engrossed.

On motion of Senator Wiley, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—24.

Bailey of Harris.	Johnson.
Carter.	Lattimore.
Clark.	McGregor.
Collins.	Nugent.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Greer.	Townsend.
Hall.	Warren.
Harley.	Westbrook.
Henderson.	Wiley.
Hudspeth.	Willacy.

Present—Not Voting.

Bailey of DeWitt. [ McNealus.

Absent.

Astin.	Gibson.
Brelsford.	

Absent—Excused.

Morrow.	Watson.
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The bill was read third time and passed by the following vote:

Yeas—21.

Bailey of Harris.	Harley.
Carter.	Henderson.
Clark.	Hudspeth.
Conner.	Lattimore.
Cowell.	McGregor.
Darwin.	Nugent.
Gibson.	Real.
Hall.	Taylor.

Townsend.  
Warren.  
Westbrook.

Wiley.  
Willacy.

Nays—4.

Bailey of DeWitt. Johnson.  
Collins. McNealus.

Absent.

Astin.  
Brelsford.

Greer.  
Terrell.

Absent—Excused.

Morrow. Watson.

Senator Wiley moved to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion to table prevailed.

#### SENATE BILL NO. 11.

Action here recurred on the special order for this hour, Senate bill No. 11, the question being on the amendment by Senator McGregor. (See Journal of yesterday for the amendment.)

Senator Hall offered the following amendment to the amendment:

Amend the amendment by adding a new section thereto to be called Section 8a and which shall read as follows:

"Section 8a. The provisions of Sections 5, 7 and 8 of this act shall not apply to any person or any cotton oil mill or public cotton gin, which is owned entirely by the bona fide residents of the county wherein the cotton gin or cotton seed oil mill, in which such interests are held are located, or of the county adjoining such county."

HALL.  
NUGENT.

The amendment was read, and

Senator Lattimore offered the following substitute for the amendment to the amendment:

Amend the amendment by adding a new section thereto to be known as Section 8a which shall read as follows:

"Section 8a. The provisions of Sections 5, 7 and 8 shall not be held to apply in any case where the cotton oil mill or public cotton gin and all interest of any kind therein, is owned entirely by bona fide residents of the county wherein such oil mill or gin is located."

Pending discussion, Senator Clark moved to table the substitute for the amendment to the amendment, which motion to table was lost.

Senator Darwin moved to recommit the bill and pending amendments, and substitutes, to the Committee on Commerce and Manufactures, and moved the previous question on the motion.

The motion for the previous question was duly seconded, and was ordered by the following vote:

Yeas—16.

Astin.	Harley.
Bailey of DeWitt.	Henderson.
Bailey of Harris.	Johnson.
Conner.	Nugent.
Cowell.	Real.
Darwin.	Taylor.
Gibson.	Terrell.
Greer.	Willacy.

Nays—10.

Carter.	McGregor.
Clark.	McNealus.
Collins.	Townsend.
Hall.	Westbrook.
Lattimore.	Wiley.

Present—Not Voting.

Warren.

Absent.

Brelsford.

Hudspeth.

Absent—Excused.

Morrow.

Watson.

The motion to recommit was lost by the following vote:

Yeas—10.

Bailey of DeWitt.	Henderson.
Conner.	Hudspeth.
Cowell.	Johnson.
Darwin.	Nugent.
Gibson.	Real.

Nays—16.

Bailey of Harris.	McGregor.
Carter.	McNealus.
Clark.	Taylor.
Collins.	Terrell.
Greer.	Townsend.
Hall.	Westbrook.
Harley.	Wiley.
Lattimore.	Willacy.

Present—Not Voting

Warren.

Absent.

Astin.

Brelsford.

Absent—Excused.

Morrow.

Watson.

Action recurred on the substitute for the amendment to the amendment, and the same was lost by the following vote:

Yeas—8.

Astin.	Johnson.
Cowell.	Lattimore.
Gibson.	Nugent.
Greer.	Wiley.

Nays—16.

Bailey of DeWitt.	Henderson.
Bailey of Harris.	Hudspeth.
Clark.	McNealus.
Collins.	Real.
Conner.	Taylor.
Darwin.	Terrell.
Hall.	Townsend.
Harley.	Westbrook.

Present—Not Voting

Carter.	Warren.
McGregor.	Willacy.

Absent.

Brelsford.

Absent—Excused.

Morrow. Watson.

Action recurred on the amendment to the amendment and Senator Clark moved to table same and the motion to table was adopted by the following vote:

Yeas—13.

Bailey of Harris.	Hudspeth.
Carter.	McNealus.
Clark.	Real.
Collins.	Terrell.
Conner.	Townsend.
Harley.	Westbrook.
Henderson.	

Nays—10.

Astin.	Greer.
Bailey of DeWitt.	Hall.
Cowell.	Johnson.
Darwin.	Nugent.
Gibson.	Wiley.

Present—Not Voting

Lattimore.	Warren.
McGregor.	Willacy.
Taylor.	

Absent.

Brelsford.

Absent—Excused.

Morrow. Watson.

Senator Lattimore offered the following amendment to the amendment:

Amend the amendment by striking out the words "person, firm, association of persons or" where they occur in Sections 5 and 6, and by striking out the words "person, firm or" where they occur in Sections 7 and 8.

HUDSPETH.  
HENDERSON.  
LATTIMORE.  
COWELL.

## BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senators Hudspeth, Willacy, Collins, Henderson, Taylor, Wiley, Hall, Terrell, Greer, McNealus, Watson, Westbrook, Cowell:

S. B. No. 14, A bill to be entitled "An Act to establish 'The Bank of Texas,' and defining the purpose and method of its organization, its rights, privileges, duties and liabilities; the object and purpose of the act being to provide a fiscal agency for the State, its counties, municipal corporations and all districts heretofore or hereafter created, with the power to levy and collect taxes and issue bonds or to expend the public funds, to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, find a ready and sufficient market for bonds and other obligations, obtain cash against unmatured and uncollected tax levies, and generally, to furnish an agency of sufficient capital and authority, to maintain the financial affairs of the State and its various governmental agencies in a sound and efficient manner; to furnish a safe and lucrative investment for the permanent school fund of the State with a definite and certain return; to enable the holders of all school warrants drawn against the available school fund, uncollected at the time of their issuance, to obtain cash thereon without discount thereof; to provide a reserve bank in aid of the general banking system of the State; to assist in maintaining the solvency of the banks chartered in the State of Texas and to preserve intact the depositors' guaranty fund; to prevent the sacrifice of a large part of the products of the industry now impending and due to calamities and exigencies of war; to maintain the integrity of the actual



values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values be maintained; to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued by the national government or other relief in the issuance of money or currency made by the national government or authorized to be made by it; to preserve the normal business conditions of the State against the present disturbances brought about by the wars on the continent of Europe and to guard against the repetition of like disturbances due to that or any other cause; and generally, to preserve the credit and industrial and financial integrity of the State; setting forth in detail how these purposes and the organization of the bank may be accomplished, conferring certain authority on the Board of Education as an organization committee of the bank, fixing the capital of the bank and how the same shall be paid in, and from whence derived; prescribing that the capital of the bank shall consist of the face value of the principal of municipal or other bonds now held by the permanent school fund of the State of the approximate amount of \$17,800,000 and such additional amounts as may be subscribed and paid in by member banks under the provision of the act; defining the powers and authority of The Bank of Texas; requiring every banking corporation chartered under the law to become a member of The Bank of Texas within a period of fifteen months and defining the terms under which such corporations may become members; prescribing a Board of Directors for the government and management of The Bank of Texas and defining their authority; defining the rights and privileges of a member bank for The Bank of Texas and authorizing the admission of national banks as members; setting forth in detail the power and authority of The Bank of Texas as a corporation and stating in what business it may engage; providing that The Bank of Texas shall be the fiscal agent of the State and depository of all general and special funds which may under the Constitution be placed in the depository, and defining its privileges and rights and liabilities as such; providing that The Bank of Texas shall be governed by the general banking laws, civil and criminal, of the State except in those portions in conflict with this act; providing when The Bank of Texas

shall begin operation; defining the authority of the organization committee and authorizing the organization committee composed of the Board of Education to organize the Bank of Texas and to incur necessary expense for such purpose, making an appropriation therefor, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

#### BILL AND RESOLUTION SIGNED.

The Chair, President Pro Tem. Warren, gave notice of signing, and did sign in the presence of the Senate, the following House bill and concurrent resolution:

H. B. No. 12, "An Act to amend Chapter 1 of Title 14, of the Revised Penal Code of Texas, 1911, of the State of Texas, by adding thereto Articles 924a, 924b and 924c; further defining the offense of forgery, passing and attempting to pass as true and having in possession with the intent to pass as true a forged instrument and prohibiting the making, altering, forging or counterfeiting of any bond, certificate, obligation or instrument in writing having a value or purporting to be of value, issued by or purporting to be issued by or under the authority or direction of any foreign government, or any officer or agent of any foreign government or de facto government or any person or persons claiming to act by or under the authority of any foreign government, or claiming by right of any office, military or civil, to have a right in any foreign country by virtue of such office to issue money, bills of exchange, notes or any papers circulating as money or mediums of exchange in any foreign country or portion thereof, or purporting to be redeemable in money or other thing of value, and fixing a penalty therefor; also prohibiting the passing or attempting to pass as true or having in possession with intent to pass as true, any such instrument or instruments so falsely made, and providing penalties therefor and declaring an emergency."

H. C. R. No. 4, Relating to the collection by Consular Agents of information concerning the manufacture of cotton goods.

#### ADJOURNMENT.

At 5:40 o'clock p. m. Senator Hall moved that the Senate adjourn until

10 o'clock tomorrow morning, which motion was adopted by the following vote:

Yeas—17.

Astin.	Hall.
Bailey of DeWitt.	Harley.
Bailey of Harris.	Henderson.
Carter.	Hudspeth.
Collins.	Johnson.
Conner.	McGregor.
Cowell.	Nugent.
Gibson.	Willacy.
Greer.	

Nays—11.

Clark.	Terrell.
Darwin.	Townsend.
Lattimore.	Warren.
McNealus.	Westbrook.
Real.	Wiley.
Taylor.	

Absent.

Brelsford.

Absent—Excused.

Morrow.

Watson.

## APPENDIX.

### PETITIONS AND MEMORIALS.

Senator Johnson presented a petition from citizens of Hall county requesting and urging the passage of a "stay law."

Senator Bailey of DeWitt presented a communication from Wilson county, signed by R. A. Hauck, chairman of a mass meeting of citizens of Wilson county, endorsing a plan to amend the statutes with reference to the issuance of executions so that they may be issued six months after adjournment of court instead of instantly, as now provided by law.

### COMMITTEE REPORTS.

Committee Room,

Austin, Texas, September 15, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Agricultural Affairs to whom was referred House Concurrent Resolution No. 9 by Mr. Dove, A resolution relating to the asking of Congress the immediate enactment of certain legislation recommended by seventy members of the Farmers' Union, whereby such a law will direct the Secretary of the Treasury to deposit

sufficient funds in the banks for the purposes of loans direct to the farmers at a low rate of interest, etc.,

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass, and that it be not printed but that it be printed in the Senate Journal.

ASTIN, Chairman.

House Concurrent Resolution No. 9:

Whereas, There is now present in the city of Austin a committee of seventy members of the Farmers' Union, representing the various district unions of the State, said committee having come here to secure suitable legislation to divert the financial crisis which is now confronting us all; and,

Whereas, Said committee, during its deliberations while here, passed the following preamble and resolution:

"Whereas, There is no legal system by which the national government can aid farmers in the marketing of non-perishable farm products; therefore be it

"Resolved, That we demand of Congress the speedy enactment of such laws as will direct the Secretary of the Treasury in the deposit of sufficient funds in the banks for the purpose of loans direct to farmers at low rate of interest of non-perishable farm products at seventy-five per cent of value of same, when stored in bonded warehouses; that we believe cotton to be worth 15 cents per pound; and,

"Further, that when government funds are deposited for aid in marketing that it becomes the duty of the Secretary of Treasury to see that said funds are used for that purpose and that purpose only. We, the representatives of the seven district farmers' unions of Texas, assembled in Austin, Texas, on this the 4th day of September, 1914, respectfully ask the Second Called Session of the Thirty-third Legislature to memorialize Congress for the enactment of the above resolutions into law.

"J. E. CHERRY, President.

"J. L. MCCONKEY, Secretary."

Therefore be it resolved by the House of Representatives of the Second Called Session of the Thirty-third Legislature, the Senate concurring, That we ask Congress to immediately enact legislation along the line above asked for, which is now pending before said body.

Resolved further, That we ask Congress and Secretary of Treasury, Mr. McAdoo, to use all possible haste in dealing with the cotton situation, be-

cause much of the crop is now being sacrificed at prices which mean bankruptcy to our agricultural and commercial interests.

Resolved further, That copies of these resolutions be mailed to Secretary of Treasury, Mr. McAdoo, and each of our Congressmen and Senators from Texas.

Committee Room,

Austin, Texas, September 16, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed Bills have carefully compared.

S. B. No. 12, A bill to be entitled "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank and stating how and in what manner and where such reserve shall be maintained; prescribing that State Banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State banking corporations which become members of a Federal reserve bank to conform to the Federal law as now or hereafter enacted and all rules and regulations promulgated relative thereto by lawful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State banks becoming members of a Federal reserve bank shall be required to conform to the provisions of law imposed upon national banks respecting limitations of liability and prohibitions against making purchases of or loans on stocks of such banks, and, to withdrawal or im-

pairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal Reserve Board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions and defining the terms of such discount; prescribing that the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or other liquidating agency appointed; prescribing a limitation on loans which may be made to any individual, corporation, company or firm by a banking corporation, chartered under the laws of this State; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State; prescribing the amount of indebtedness which may be created by a banking corporation chartered under the laws of this State, and declaring an emergency,"

And find same correctly engrossed.

TAYLOR, Acting Chairman.

Committee Room,

Austin, Texas, September 15, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Finance Committee, to whom was referred House Concurrent Resolution No. 5, requesting the Governor to submit the question of certain deficiency appropriations to the Second Called Session of the Thirty-third Legislature.

Have had same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed.

WILLACY, Chairman.

Committee Room,

Austin, Texas, September 16, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufacturers, to whom was referred

H. B. No. 4, A bill to be entitled "An Act to create a State bonded warehouse system and afford a method of co-operative marketing for those engaged in the production of farm and ranch products and for the purpose of effectuating this and creating the office of State Warehouse Commissioner, to be appointed by the Governor, with the advice of the Senate, defining the authority of the Commissioner and giving his powers of visitation over the corporations, chartered under this act; as a part of the system authorizing the formation of State bonded warehouse corporations on the mutual plan, to be under the supervision and control of the State Warehouse Commissioner; defining the purpose, power and authority of such corporation and regulating the chartering, managing and business of same; defining and prescribing the receipts to be issued by State bonded warehouses and the rights of the respective parties thereunder, and providing the law, rules and regulations governing the same; stating the business which may be conducted by State bonded warehouses as incidents of their warehouse and marketing business; declaring gins to be subject to a public use and requiring that all ginners in the State shall after July 31, 1915, obtain a license from the State Warehouse Commissioner and give bond so to do, and prescribing certain rules and regulations relative to the ginning and baling of cotton and sampling the same; authorizing the State Warehouse Commissioner to employ the services of a chief clerk, defining his duties, and also the necessary clerical help, office force and examiners, and creating the office of State warehouse examiners, defining their authority, duties and compensation; prescribing the salary of the State Warehouse Commissioner and his chief clerk; vesting the authority now vested by law in the Commissioner of Insurance and Banking with reference to public warehouses in the State Warehouse Commissioner, and transferring the archives in the office of the Commissioner of Insurance and Banking with reference to warehouse corporations to the office of the State Warehouse Commissioner, but providing that this section does not apply to the law passed by the present session of the Legislature with reference to the establishment of State warehouses as an emergency measure by the Commissioner of Insurance and Banking; creating and defining offenses in violation of the act,

and prescribing penalties therefor; making appropriation for carrying the act into effect, and declaring an emergency,"

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass.

COLLINS, Chairman.

## TWENTIETH DAY.

Senate Chamber,  
Austin, Texas,

Thursday, September 17, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	McNealus.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Westbrook.
Harley.	Wiley.
Henderson.	Willacy.

Absent—Excused.

Morrow.

Prayer by Rev. W. A. Hamlett, of Austin.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Taylor.

## EXCUSED

On account of important business:

Senator Brelsford for non-attendance Monday, Tuesday and yesterday, on motion of Senator McNealus.

Morning call concluded.

## SENATE BILL NO. 11.

Action recurred on the pending business from yesterday, Senate bill No. 11, and,

Senator Gibson, in view of the fact that today being House bill day by the rules, asked that the Senate take up House bill No. 4 in lieu of the pending business, but there was objection, and,

Pending discussion, Senator Wiley made the point of order that the bill had been reported favorably and to be printed and that the same had not been returned to the Senate as printed and could not be considered at this time.

### RECESS.

Pending discussion, Senator Cowell moved that the Senate recess until 2:30 o'clock today in order that the Senate may attend the cotton conference, meeting here today in response to the Governor's call. The motion was adopted by the following vote:

Yeas—18.

Astin.	Harley.
Bailey of DeWitt.	Henderson.
Brelsford.	Hudspeth.
Collins.	Johnson.
Cowell.	McNealus.
Darwin.	Real.
Gibson.	Taylor.
Greer.	Warren.
Hall.	Westbrook.

Nays—11.

Bailey of Harris.	Terrell.
Carter.	Townsend.
Clark.	Watson.
Lattimore.	Wiley.
McGregor.	Willacy.
Nugent.	

Absent.

Conner.

Absent—Excused.

Morrow.

### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.

### SENATE BILL NO. 11.

Action here recurred on the pending business, Senate bill No. 11, the question before the Senate at the time the Senate recessed was a point of order by Senator Wiley and the same was withdrawn.

The question on the bill was the pending amendment.

Senator Hudspeth raised the point of

order that the joint rules provided that Wednesdays and Thursdays were House bill days and called for the consideration of House bill No. 4.

The Chair, President Pro Tem. Warren, overruled the point of order.

Action then recurred on the pending amendment to Senate bill No. 11, and,

Senator McGregor moved to table same, which motion to table was adopted by the following vote:

Yeas—14.

Astin.	Harley.
Bailey of Harris.	McGregor.
Carter.	McNealus.
Clark.	Terrell.
Collins.	Townsend.
Conner.	Watson.
Hall.	Westbrook.

Nays—13.

Bailey of DeWitt.	Johnson.
Cowell.	Lattimore.
Darwin.	Nugent.
Gibson.	Real.
Greer.	Taylor.
Henderson.	Wiley.
Hudspeth.	

Present—Not Voting.

Warren.

Absent.

Brelsford.

Willacy.

Absent—Excused.

Morrow.

Senator Henderson offered the following amendment to the amendment:

Amend the amendment by adding Section 14, as follows:

"Sec. 14. Provided, that the provision of this bill shall not be construed to prevent oil mills from owning and operating gins for the purpose of ginning or taking from the seed what is commonly known as linters."

The amendment to the amendment was read and Senator Clark moved to table same, which motion to table was lost by the following vote:

Yeas—4.

Clark.	McNealus.
Collins.	Westbrook.

Nays—22.

Astin.	Gibson.
Bailey of DeWitt.	Greer.
Carter.	Hall.
Conner.	Harley.
Cowell.	Henderson.
Darwin.	Hudspeth.

Johnson. Taylor.  
Lattimore. Terrell.  
McGregor. Townsend.  
Nugent. Watson.  
Real. Wiley.

Present—Not Voting

Warren.

Absent.

Bailey of Harris. Willacy.  
Brelsford.

Absent—Excused.

Morrow.

The amendment to the amendment was adopted.

Senator Townsend offered the following amendments to the amendment, they being offered and acted on separately:

(1)

Amend the substitute on page 187, of Senate Journal by striking out the period after the word "pay" in Section 2, and adding the following thereafter: "Or for the public generally."

(2)

Amend the substitute bill by adding after the word "person" in line 1 of Section 13, the word "wilfully."

(3)

Amend Section 9 of the substitute bill by striking out "twenty-five hundred (\$2500) dollars," and insert in lieu thereof "five thousand dollars."

Senator Darwin offered the following amendment to the amendment:

Amend the amendment, Sec. 3, by striking out paragraph (f).

The amendment to the amendment was read and Senator McGregor moved to table same, which motion to table was lost by the following vote:

Yeas—10.

Astin. Collins.  
Bailey of DeWitt. McGregor.  
Bailey of Harris. McNealus.  
Carter. Townsend.  
Clark. Westbrook.

Nays—17.

Conner. Harley.  
Cowell. Henderson.  
Darwin. Hudspeth.  
Gibson. Johnson.  
Greer. Lattimore.  
Hall. Nugent.

Real. Watson.  
Taylor. Wiley.  
Terrell.

Present—Not Voting.

Warren.

Absent.

Brelsford.

Willacy.

Absent—Excused.

Morrow.

The amendment to the amendment was lost.

Senator Darwin offered the following amendment to the amendment:

Amend the amendment, Section 9, last line of first column by adding between the word "county" and the word "where" the words "or adjoining counties."

The amendment to the amendment was read and lost by the following vote:

Yeas—12.

Astin. Hall.  
Bailey of DeWitt. Hudspeth.  
Cowell. Johnson.  
Darwin. Nugent.  
Gibson. Real.  
Greer. Wiley.

Nays—15.

Bailey of Harris. McGregor.  
Carter. McNealus.  
Clark. Taylor.  
Collins. Terrell.  
Conner. Townsend.  
Harley. Watson.  
Henderson. Westbrook.  
Lattimore.

Present—Not Voting.

Brelsford.

Warren.

Absent.

Willacy.

Absent—Excused.

Morrow.

Senator Lattimore offered the following amendment to the amendment:

Amend the amendment as amended by adding a new section after Section 13 to be known as Section 15, to read as follows:

"Sec. 15. No affidavit such as is provided for in Sec. 3 shall be made by any non-resident of this State, and the venue of any prosecution for falsely making such affidavit falsely shall be in

either the county where the proposed oil mill or gin is located or in Travis county, Texas."

The amendment to the amendment was read and Senator Watson moved to table same, which motion to table was adopted.

Senator Nugent offered the following amendment to the amendment:

Amend the amendment by striking out all of Section 13 and rewriting the same as follows:

"Sec. 13. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction therefor shall be punished by a fine of not more than one thousand dollars, or by imprisonment in the county jail not to exceed one year."

The amendment to the amendment was read and Senator Watson moved to table same, which motion was adopted.

Action here recurred on the amendment by Senator McGregor, as amended, and the same was adopted by the following vote:

#### Yeas—14.

Astin.	McGregor.
Brelsford.	McNealus.
Carter.	Taylor.
Clark.	Townsend.
Collins.	Watson.
Conner.	Westbrook.
Lattimore.	Wiley.

#### Nays—12.

Bailey of DeWitt.	Hall.
Bailey of Harris.	Harley.
Cowell.	Henderson.
Darwin.	Hudspeth.
Gibson.	Johnson.
Greer.	Real.

#### Present—Not Voting.

Nugent.	Warren.
Terrell.	Willacy.

#### Absent—Excused.

#### Morrow.

Senator Watson moved that further consideration of the bill be postponed until September 22, after the conclusion of the morning call.

Senator McGregor moved to table the motion to postpone, which motion to table was lost by the following vote:

#### Yeas—10.

Astin.	Carter.
Bailey of Harris.	Clark.

Hall.	Terrell.
McGregor.	Townsend.
McNealus.	Westbrook.

#### Nays—17.

Bailey of DeWitt.	Hudspeth.
Collins.	Johnson.
Conner.	Lattimore.
Cowell.	Nugent.
Darwin.	Real.
Gibson.	Taylor.
Greer.	Watson.
Harley.	Wiley.
Henderson.	

#### Present—Not Voting.

#### Warren.

#### Absent.

#### Brelsford.

#### Willacy.

#### Absent—Excused.

#### Morrow.

Action recurred on motion to postpone consideration of the bill until September 22, and the same was adopted by the following vote:

#### Yeas—17.

Bailey of DeWitt.	Hudspeth.
Collins.	Johnson.
Conner.	Lattimore.
Cowell.	Nugent.
Darwin.	Real.
Gibson.	Taylor.
Greer.	Watson.
Harley.	Wiley.
Henderson.	

#### Nays—11.

Astin.	McNealus.
Bailey of Harris.	Terrell.
Brelsford.	Townsend.
Carter.	Westbrook.
Clark.	Willacy.
McGregor.	

#### Present—Not Voting.

#### Warren.

#### Absent.

#### Hall.

#### Absent—Excused.

#### Morrow.

Senator Hudspeth moved to reconsider the vote by which the consideration of the bill was postponed and lay that motion on the table.

The motion to table was adopted.

## HOUSE BILL NO. 4.

The Chair laid before the Senate on second reading,

H. B. No. 4, A bill to be entitled "An Act to create a State bonded warehouse system and afford a method of co-operative marketing for those engaged in the production of farm and ranch products and for the purpose of effectuating this and creating the office of State Warehouse Commissioner, to be appointed by the Governor, with the advice of the Senate; defining the authority of the Commissioner and giving him powers of visitation over the corporations chartered under this act; as a part of the system authorizing the formation of State bonded warehouse corporations on the mutual plan, to be under the supervision and control of the State Warehouse Commissioner; defining the purpose, power and authority of such corporation and regulating the chartering, management and business of same; defining and prescribing the receipts to be issued by State bonded warehouse and the rights of the respective parties thereunder, and providing the law, rules and regulations governing the same; stating the business which may be conducted by State bonded warehouses as incidents of their warehouse and marketing business; declaring gins to be subject to a public use and requiring that all ginners in the State shall, after July 31, 1915, obtain a license from the State Warehouse Commissioner and give bond so to do, and prescribing certain rules and regulations relative to the ginning and baling of cotton and sampling the same; authorizing the State Warehouse Commissioner to employ the services of a chief clerk, defining his duties, and also the necessary clerical help, office force and examiners, and creating the office of State warehouse examiners, defining their authority, duties and compensation; prescribing the salary of the State Warehouse Commissioner and his chief clerk; vesting the authority now vested by law in the Commissioner of Insurance and Banking with reference to public warehouses in the State Warehouse Commissioner, and transferring the archives in the office of the Commissioner of Insurance and Banking with reference to warehouse corporations to the office of the State Warehouse Commissioner, but providing that this section does not apply to the law passed by the present session of the Legislature with reference to the establishment of State warehouses as an

emergency measure by the Commissioner of Insurance and Banking; creating and defining offenses in violation of the act, and prescribing penalties therefor; making appropriation for carrying the act into effect, and declaring an emergency."

The bill was read second time, and Senator Westbrook offered the following amendment:

Strike out Section 6 and insert in lieu thereof the following:

Sec. 6. Each gin operating in the State of Texas, or hereafter put in operation after the taking effect of this act shall be required to give a bond in the sum of one thousand (\$1000) dollars, with two or more good and sufficient sureties, or with a bonding company authorized under the laws of this State to operate herein, such bond to be conditioned as provided in Section 7a of this act.

Sec. 6a. It shall be the duty of each cotton gin, during the process of ginning each bale of cotton, to procure and keep two fair, true and correct samples of the cotton, weighing not less than four (4) ounces each, and place the same in separate receptacles and seal the same, so that they may not be opened except by cutting; and on the receptacles holding said samples of cotton there shall also be placed numbers corresponding with the number of the bale from which said samples were taken. There shall also be placed on the receptacles holding said samples of cotton a certificate over the signature of the ginner or gin company, certifying that said samples are true, correct and fair samples and that the ginner or gin company guarantees them under its bond, and that during the process of ginning said bale no foreign substance, water or anything had been placed in said cotton, or thereafter while said cotton was in the possession of the ginner or gin company; and such certificate shall also have the name and address of the party for whom ginned, the name and address of the ginner or gin company, the name and address of the person upon whose land the cotton was raised and the number of the bale on the books of the said gin company. After said bale of cotton has been withdrawn from any warehouse where same has been placed, such samples not demanded by the owner of said cotton corresponding therewith shall be collected, baled and sold by and under the authority of the State Warehouse Commissioner, and the proceeds thereof shall be placed in the State Treasury to the credit of the warehouse fund; but in



all instances at least one correct sample of said cotton shall accompany said bale to any prospective market where same is offered for barter or sale, to be used for the purpose of determining the grade of said cotton; and in no event shall said bale of cotton be cut or otherwise mutilated, except by permission of the owner of the same.

WESTBROOK.  
COLLINS.

Senator Conner offered the following substitute for the amendment:

Amend the bill by striking out Section 6 of the bill.

(Senator Hudspeth in the chair.)

#### MESSAGE FROM THE GOVERNOR.

Pending discussion on the above amendment, the following message from the Governor was received and read to the Senate:

Governor's Office,  
Austin, Texas, September 17, 1914.

To the Senate and House of Representatives:

In harmony with clause 2 of the Governor's proclamation convening the Thirty-third Legislature in special session, and in line with the provisions of Section 40 of Article 3 of the Constitution of Texas, I present to you the following further subject for legislation, to-wit:

An Act to amend Article 5477 of the Revised Civil Statutes of the State of Texas relating to the landlord's lien, so as to provide that such lien as to agricultural products when stored in bonded and public warehouses, regulated and controlled by the laws of the State of Texas, shall continue so long as such products remain in such warehouses.

From an examination of the emergency warehouse bill recently passed by the Legislature, fear is expressed that it will result in the enforcement of the landlord's lien within thirty days after the storing of cotton in the public warehouses provided for. Whereas, it is highly desirable that the landlords assist tenants in holding cotton, to the end that the landlord and his tenant may both receive the full benefits of increased prices resulting from storage and holding of said cotton.

Respectfully submitted,

O. B. COLQUITT,  
Governor of Texas.

#### HOUSE BILL NO. 4.

Action recurred on the pending business, House bill No. 4, the question being on the pending substitute for the pending amendment.

#### BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senators Conner, Nugent, Bailey of DeWitt:

S. B. No. 15, A bill to be entitled "An Act to amend Article 5477 of the Revised Civil Statutes of the State of Texas relating to the landlord's lien so as to provide that such lien as to agricultural products, when stored in bonded warehouses, regulated and controlled by the laws of the State of Texas, shall continue so long as such products remain in such warehouses, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

#### ADJOURNMENT.

On motion of Senator Gibson the Senate, at 5:15 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

#### APPENDIX.

#### COMMITTEE REPORTS.

Committee Room,

Austin, Texas, September 17, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Judiciary Committee No. 1, to whom was referred

S. B. No. 14, A bill to be entitled "An Act to establish the 'Bank of Texas,' and defining the purpose and method of its organization, its rights, privileges, duties and liabilities; the object and purpose of the act being to provide a fiscal agency for the State, its counties, municipal corporations and all districts heretofore or hereafter created with the power to levy and collect taxes and issue bonds or to expend the public funds to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, find a ready and sufficient market for bonds and other obligations, obtain cash against unmatured and uncollected tax levies and generally to furnish an agency of

sufficient capital and authority to maintain the financial affairs of the State and its various governmental agencies in a sound and efficient manner; to furnish a safe and lucrative investment for the permanent school fund of the State with a definite and certain return; to enable the holders of all school warrants drawn against the available school fund, uncollected at the time of their issuance to obtain cash thereon without discount thereof; to provide a reserve bank in aid of the general banking system of the State; to assist in maintaining the solvency of the banks chartered in the State of Texas and to preserve intact the depositors' guarantee fund; to prevent the sacrifice of a large part of the products of the industry now impending and due to calamities and exigencies of war; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values be maintained; to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued by the national government or other relief in the issuance of money or currency made by the national government or authorized to be made by it; to preserve the normal business conditions of the State against the present disturbances brought by the wars on the continent of Europe and to guard against the repetition of like disturbances due to that or any other cause; and generally to preserve the credit and industrial and financial integrity of the State; setting forth in detail how these purposes and the organization of the bank may be accomplished; concerning certain authority on the Board of Education as an organization committee of the bank, fixing the capital of the bank and how the same shall be paid in, and from whence derived; prescribing that the capital of the bank shall consist of the face value of the principal of municipal or other bonds now held by the permanent school fund of the State of the approximate amount of \$17,800,000, and such additional amounts as may be subscribed and paid in by member banks under the provisions of the act; defining the powers and authority of the Bank of Texas; requiring every banking corporation chartered under the laws to become a member of the Bank of Texas within a period of fifteen months and defining the terms under which such corporations

may become members; prescribing a Board of Directors for the government and management of The Bank of Texas and defining their authority; defining the rights and privileges of a member bank for the Bank of Texas and authorizing the admission of National banks as members; setting forth in detail the power and authority of The Bank of Texas as a corporation and stating in what business it may engage; providing that the Bank of Texas shall be the fiscal agent of the State and depository of all general and special funds which may under the Constitution be placed in the depository and defining its privileges and rights and liabilities as such; providing that The Bank of Texas shall be governed by the general banking laws, civil and criminal, of the State except in those portions in conflict with this act; providing when The Bank of Texas shall begin operation; defining the authority of the organization committee and authorizing the organization committee composed of the Board of Education to organize The Bank of Texas and to incur necessary expense for such purpose; making an appropriation therefor, and declaring an emergency."

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass and that it be printed.

CARTER, Acting Chairman.

(Floor Report.)

Austin, Texas, September 17, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Finance Committee, to whom was referred

H. C. R. No. 6, A concurrent resolution relating to the payment of a debt created by the First Called Session of the Thirty-third Legislature in the publication of the Journal of both the House and the Senate, and also the Legislative Manual; providing for paying debt due the State printing contractors for printing Journals and Manual of Regular and First Called Sessions of Thirty-third Legislature, and for paying the unpaid mileage and per diem warrants outstanding,

Have had the same under consideration and we are instructed to report same back to the Senate with a recommendation that it do pass, with the following amendment:

"Amend by adding the words 'of the Second Called Session of the Thirty-

third Legislature' after the word 'Senate' and after the word 'appropriation' wherever the same occur, and that said resolution be not printed."

Willacy, Chairman, Cowell, Lattimore, Astin, Nugent, Johnson, Wiley, Bailey of DeWitt, Brelsford, McGregor.

Committee Room,

Austin, Texas, September 17, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed Bills has carefully compared Senate bill No. 5, and find same correctly engrossed.

BRELSFORD, Chairman.

#### TWENTY-FIRST DAY.

Senate Chamber,  
Austin, Texas,

Friday, September 18, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Westbrook.
Harley.	Wiley.
Henderson.	Willacy.
Hudspeth.	

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Westbrook.

#### PETITIONS AND MEMORIALS.

Under head of Petitions and Memorials, Senator Westbrook offered a letter from a citizen of Emory, Texas, relating to the cotton situation, and requested that it be printed in full in the Journal. There was objection, and Senator Westbrook moved that the letter be printed in full in the Journal:

The motion was lost by the following vote:

Yeas—8.

Bailey of Harris.	Townsend.
Brelsford.	Warren.
Collins.	Westbrook.
McNealus.	Willacy.

Nays—19.

Astin.	Henderson.
Bailey of DeWitt.	Hudspeth.
Carter.	Johnson.
Conner.	Lattimore.
Cowell.	McGregor.
Darwin.	Real.
Gibson.	Terrell.
Greer.	Watson.
Hall.	Wiley.
Harley.	

Present—Not Voting.

Morrow. Nugent.

Absent.

Clark. Taylor.

(See Appendix for brief of the letter.)

#### SIMPLE RESOLUTION.

By Senator Lattimore:

Resolved, by the Senate that each Senator give to the notary clerk by 11 o'clock this, Friday, morning the names of all parties for appointment as notaries public, that the notary clerk be and he is hereby instructed to forthwith thereupon report all such names to the Governor;

That the Governor be and he is hereby requested to send to the Senate by 3 o'clock this p. m. all of his notary appointments not heretofore acted upon, and that at 3 o'clock this p. m. the Senate go into executive session for the purpose of confirming such notary appointments.

NUGENT.  
LATTIMORE.

The resolution was read and adopted. Morning call concluded.

#### HOUSE CONCURRENT RESOLUTION NO. 6.

(By Unanimous Consent.)

The Chair laid before the Senate

H. C. R. No. 6, A concurrent resolution relating to the payment of a debt created by the First Called Session of the Thirty-third Legislature in the publication of the Journal of both the House and the Senate, and also the Legislative Manual; providing for paying debt due the State printing contractors for printing Journals and Manual of Regular and First Called Sessions of Thirty-third Legislature, and for paying the unpaid mileage and per diem warrants outstanding.

The committee report that the resolution be not printed and with (committee) amendments, was adopted.

The resolution was then adopted.

#### REFUSED TO TAKE UP HOUSE CONCURRENT RESOLUTION NO. 9.

Senator Astin requested unanimous consent to take up for consideration House Concurrent Resolution No. 9 and there was objection, and

Senator Astin moved that the pending order of business, House bill No. 4, be suspended for the purpose of taking the resolution up out of its order.

The motion was lost by the following vote (a two-thirds vote being necessary):

Yeas—18.

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Brelsford.	McNealus.
Carter.	Taylor.
Clark.	Terrell.
Conner.	Townsend.
Hall.	Warren.
Harley.	Westbrook.
Henderson.	Wiley.

Nays—13.

Bailey of Harris.	McGregor.
Collins.	Morrow.
Cowell.	Nugent.
Darwin.	Real.
Gibson.	Watson.
Greer.	Willacy.
Lattimore.	

#### HOUSE BILL NO. 4.

The Chair laid before the Senate, House bill No. 4, the pending order of business.

Action recurred on the pending substitute by Senator Conner for the amendment by Senators Westbrook and Collins.

Senator Collins moved to table the substitute for the amendment, and,

Senator Lattimore moved as a substitute, to table both the substitute and the amendment.

The substitute motion was lost.

Action then recurred on the motion to table the substitute for the amendment and the same was lost.

Action then recurred on the substitute for the amendment.

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, September 18, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

S. B. No. 12, A bill to be entitled "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank and stating how and in what manner and where such reserve shall be maintained; prescribing that State banks becoming members of a Federal reserve bank shall have all rights permitted then under the Federal Reserve Act as to reserve deposits with State banks and trust companies, etc., and declaring an emergency," with amendments.

The House concurs in Senate amendments to House Concurrent Resolution No. 6.

Respectfully,  
W. R. LONG,  
Chief Clerk, House of Representatives.

#### RECESS.

On motion of Senator Clark the Senate, at 12 noon, recessed until 3 o'clock today.

## AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.

## EXECUTIVE SESSION POSTPONED.

The hour, previously designated by the Senate to hold Executive Session to pass on appointment of notaries public, having arrived, the Chair so announced.

Senator Bailey of DeWitt moved that the hour be postponed until 4 o'clock today, which motion was adopted.

## HOUSE BILL NO. 4.

The Senate resumed the consideration of House bill No. 4, the question being on the substitute by Senator Conner for the amendment by Senators Westbrook and Collins.

## MESSAGE FROM THE GOVERNOR.

Governor's Office,

Austin, Texas, September 18, 1914.

To the Senate:

I ask the advice and consent of the Senate to the appointment of the following persons to be notaries public:

Atascosa County—J. D. Peeler, Carl Hollingsworth, John E. Walton.

Bastrop County—Maude Jenkins.

Bell County—J. H. Dougherty, A. D. Hanna, R. H. Patterson, W. R. Butler, Jr., Lewis H. Jones, B. B. Chappell, T. G. Harkey, E. M. Dodd, W. B. Boyd.

Bexar County—M. T. Perez, S. T. Bryant, A. G. Zagorski, Eugene A. Dolle, S. B. Sloan, W. F. McKinney, C. L. Sedgwick, M. O. Stevens, R. E. Hannay, Jr., N. C. Rigg, A. August, E. E. Clancy, E. E. Krueger, John H. Bickett, Jr., E. B. Bowman, James F. Boyls, Mrs. Jo. Aldrich, Frank Webb, Chas. E. Baughman, Frank V. Cummins, Tom P. Harte, Russell B. Wine, O. H. McCurdy, John Laird, A. J. Beall, T. M. McCarthy, George Schwab, Lawrence B. Brady, T. S. Whitfield, Leroy H. Reese, John A. Fournier, Dan Lewis, Virginia Parkinson, A. C. Toudouze, Willis M. Howard, J. J. Singleton, G. Harry Hartwell, B. F. Inman, J. F. Van Duzor, Joe Karotkin, Bryan Callaghan, E. A. Cater, Thurman Barrett, Leroy G. Denman, Jr., Mrs. T. A. Barrack, Frank P. Carle, G. W. Williams, Jose F. Solsong

(or Lolsong), J. Herbert Peairs, George L. Porter, B. M. Siddall, R. S. Harris, Arthur B. Beynon, Wm. C. Church, D. W. DeNeene, J. Guy Reed, L. Cohn. Bowie County—W. B. McIntyre, P. L. Swatzell, E. D. Trigg, C. M. Henry, L. H. Henry.

Brazoria County—O. T. Tiece, L. E. Smith, Tracy T. Word, C. W. Field.

Brazos County—Robert F. Higgins, W. W. Meacham.

Brown County—Albert R. Moore, A. E. Wilson.

Burleson County—T. F. Gilly, D. E. Reeves.

Burnet County—W. L. Escaville, E. M. Dodson.

Caldwell County—E. R. Yellott, Nye H. Clark, A. F. Garbrecht.

Calhoun County—Carey Legett, J. W. Sutton, W. A. Todd.

Callahan County—C. Nixon, Frank Wylie Austin, Everett D. Driskill.

Cameron County—George R. Whitley. Camp County—O. A. Arnold, W. A. Kennedy.

Cass County—D. B. Tomberlain, A. C. Oliver.

Childress County—W. A. McLeod, E. E. Crews, H. A. Schluter.

Coke County—J. T. Daniel, W. V. Greenland.

Coleman County—W. H. Williams, W. H. Garrett, Len Evans, R. W. Carson, Matt Martin, E. D. Stephens, Frank H. Weaver, Nancy Carter.

Collin County—Mort W. Muse, A. H. Eubanks, M. Button, A. J. Wagner, E. A. Coker, Etta Quisenberry, James Garland, Wm. L. Brown, R. E. L. Miller, R. H. Crawford, V. B. Slaughter, Henry H. Bass, L. L. Miller, Lewis Combest, Arthur Truett, J. L. Wilson, M. H. Wilson, J. W. Sellers, Chas. Wright, A. M. Wolford, Chas. B. Stevens.

Collingsworth County—W. A. Walker, F. N. Childress, E. Hugh Sherwood, Lenore Sherwood.

Colorado County—H. J. Gifford.

Comanche County—D. M. Campbell.

Concho County—Anna Mae Carter.

Cooke County—John W. Culp, W. Walker, E. M. Vanderslice, G. O. Craven, S. A. Greever, D. L. Neal, Jno. C. Wright, E. G. Kerr, D. S. Gray, R. L. Midkiff, A. J. Welch, F. A. Kieser, J. L. Gettys.

Coryell County—W. A. Waldropp, C. C. Sadler, W. J. Dube.

Dallas County—Charles C. Huff, A. H. Winkler, James Jackson, R. N. Beavers, S. P. Andrews, Isabel Hurley, George J. McManus, J. H. Bryan, C. E. Richardson, Minnie Pollock, D. M. Cameron,

Sam M. Wood, W. B. Hamilton, J. E. Grant, B. H. Fly, Oscar G. Feltner, C. A. Harris, H. S. Widney, Jno. L. Dodson, W. F. Feffries, E. N. Daniel, Miss C. L. Odette, Mrs. Lillian B. Aveilhe, D. D. Bird, H. C. Bishop, J. D. Harman, S. M. Hilligoss, G. A. Brewer, J. E. Casper, Miss Maxie Purvis, P. H. Kveton, E. L. Certain, E. L. Ballard, J. B. Chastain, C. L. Nance, R. F. Henderson, Joe T. Dewberry, Sadye R. Jacobs, E. E. Clack, Frank Smith, F. C. Sergeant, Mrs. Emmie Felder, Mrs. Lola Martin, Anna B. Payne, C. A. Brvant, Jr., W. F. Jeffries, R. A. McBean, John R. Banister, Jr., S. A. McIlhenny, Donald O'Neill.

Deaf Smith County—G. W. Barcus.

Delta County—R. D. Sterne.

Denton County—Alvin M. Ousley, S. H. Hoskins, H. B. Wilson.

Donley County—O. C. Brown.

Eastland County—John T. Cook, J. B. McEntire, C. E. Scott, W. M. Long.

Edwards County—Ross Powers.

Ellis County—B. McGee, F. L. Sample, Robert L. Sullivan, Estelle Boudier, Walter S. Jones.

El Paso County—L. L. McCall, Colbert Caldwell, Miss Rikka Peterson, A. G. Rintleman, John T. Cain, A. W. Norcop, Miss N. A. Bray, F. S. Cundiff, James L. Wohlford, I. H. Ferguson, Robt. F. Hutchinson, Hoke McAshan, J. Curtis Jones, Kathryn B. Draper, L. L. McFall, J. E. Quaid, Claude Anderson, J. M. Morrison, Harry Pateman, Gladys Sincord, G. G. Shannon, Thornton Hardy, E. B. Guinn, Hon. Rufus B. Daniel, J. F. Mariner, P. C. Marks, J. W. Harlev, Chas. B. Gaal.

Erath County—J. E. Hickman, Volley R. Martin, J. G. Beall, J. W. Glenn.

Falls County—Homer O. Jennings, Chas. Marstand, Jr., Chas. L. Tate, John H. Davis, Mary Towers.

Fannin County—Tom M. Barnes, Mrs. Martha K. Arterberry, H. E. Fuller, J. R. McFarland, Mary E. Caruthers, R. E. Hemphill.

Fayette County—F. A. Nersta, Harvey R. Clark.

Fort Bend County—Jessie D. Florea.

Franklin County—Annie Leftwich, Jessie Cowan.

Freestone County—James R. Sessions, J. Wed Davis, Geo. F. Dodgen, L. A. Dunnagen, J. F. Williamson, E. M. Elmore, C. A. Wherry, W. M. Sims.

Frio County—C. J. Harington.

Gaines County—N. R. Morgan, M. C. Curry.

Galveston County—A. J. Crotty, R. C. Villeneuve, Eugene A. Wilson, Chas. P.

McGill, Bettie E. Norton, Baldwin Tucker, S. Seinsheimer, T. L. Cross, P. A. Draulihet, Frank S. Anderson, Ora Oslin, H. B. Link, John Day, Thomas B. Scott, Dan Johnson, Barrett Gibson, W. E. Price, Joe H. Roberts.

Goliad County—J. Heath Ewell.

Gonzales County—J. C. Wilson.

Gray County—Clay E. Thompson, A. G. Richardson, W. H. Holt.

Grayson County—H. E. Hall, Mite Gordon, H. McGough, J. W. Fawcett, J. Q. Adamson, G. S. Murphy, W. J. Minton, F. G. Thompson, J. W. Jones, Hubert Bookout, James R. Lanian, Boyd Phillips, W. A. Provine, M. T. Brigham, Henry Etter, Laura L. Chapman, Rev. Robt. Drennon, C. F. Douglas.

Gregg County—T. B. Stinchcomb, G. C. Finch.

Grimes County—R. P. Hill, G. T. Davis, F. M. Davis.

Guadalupe County—Elbert Schweppe, J. M. Woods, Alfred Hartman, W. J. Schneider, E. L. Bolton.

Hall County—Claude Brantley, W. T. Barton.

Hamilton County—S. R. Allen, B. Snell, W. L. Gupton, W. W. Sidons.

Hardin County—R. L. Martin, Harold D. Matheson.

Harris County—Luther A. Willbanks, W. B. Ware, Anna T. Dyer, Chas. R. Miller, J. T. Qualtrough, W. R. Goss, Jr., H. J. Nichols, B. A. Tolbert.

Harrison County—Chas. S. Blalock, Kent B. Allen, W. G. Rudd, Joe Brown, Sam B. Hall Michael Harold, J. A. Lea, W. B. Lea.

Hays County—W. A. Wroe.

Henderson County—Eustace Townley, Guy E. Wallace, T. M. Matthews.

Hill County—E. L. McComas.

Hood County—W. T. Hightower, R. S. Landers, M. F. Cornelius, Roy H. Hightower, J. J. Blizman, W. M. Waltrip.

Hopkins County—O. F. Smith, Claude M. Smith.

Howard County—Wauldyne Maxwell.

Hunt County—J. W. Long, W. F. Tiner, M. Smith, R. M. Miller, E. H. Watson, W. G. Crow, C. W. Armstrong, Benj. J. Williams, Marvin Heinatz, Richard T. Porter, Jr., Wm. E. Sayle, J. A. Waller, B. C. Westbrook.

Jackson County—W. D. Hutchins, Ernest M. Smith.

Jasper County—J. W. Beeler.

Jeff Davis County—J. R. Hill.

Jefferson County—Miss Elsa Mitten-dorf, Chas. R. Reynolds, L. Stanley, J. M. Holder, Kyle Ward, O. H. Pennock, Jr., O. H. Pennock, Sr., C. W. Duperier, Fred R. Blanchette, Leo H. Mothner, R.

R. Ray, Morri M. Mothner, S. M. Johnson, Chas. D. Smith, N. T. Garrity, B. Boykin, Sr., W. B. Sapon, J. H. Harlan, C. T. Bunch, Miss Ruth Butler, R. E. Masterson, H. H. Silber, C. A. Richardson, Miss Mary Scott, A. J. Montague, L. M. Lack, W. G. Boles, W. M. Crook, C. A. Lord, I. W. Lawhon, L. E. Ney, L. C. Singleton, J. L. Cunningham, E. P. Bennett, H. W. Gardner, J. J. Solinsky, F. E. Sager, G. O. McFarland, Dr. F. W. Hander, Chas. B. Sheeks, Sam W. Weatherall, Joe S. Park, L. E. Stout, Otto Steffenhagen, E. H. Daniel, E. Cockerell, Chas. H. Stroock, C. R. Jackson, H. L. Holman.

Jim Wells County—R. R. Mullen.

Johnson County—Miss Maude Hinson.

Jones County—J. A. Sparks.

Karnes County—Eugene Whitley, B. McGoldrich.

Kaufman County—Jerry O. Rutledge, W. A. Brumbaugh.

Kent County—M. S. Sandell.

Kerr County—J. R. Mayhugh.

Kinney County—Earnest A. Jones.

Knox County—A. G. Hall.

Lampasas County—L. R. Sparks.

Lamar County—Geo. P. Blackburn, O. S. Perfect, Jos. L. Bailey, N. G. Osborn, Miss Willie Stone, J. W. Phillips, A. M. Jones, C. B. Webb, Ben H. Sharp, J. A. Martin, J. W. Onnby, B. B. Sturgeon, Joe Hill, Jr., N. R. Troy, Phil H. Bear, Mrs. Hattie Stallings, F. W. Hooper, T. E. Lemoir, J. W. House, A. M. Lewis, Tom Jeffus, C. J. Hathaway, W. D. Saffell, P. W. Coffey, Max Chapman, Harry M. Gosson, K. B. Polk, S. A. Martin.

La Salle County—Jim Carr, S. A. James.

Lavaca County—A. D. Stanley, H. M. Tippet.

Lee County—John H. Jenkins.

Liberty County—A. I. Moore.

Limestone County—M. E. Durham, E. T. Kimble.

Lipscomb County—Geo. W. Long, B. E. Shutterly.

Live Oak County—R. H. Weatherly.

Lubbock County—F. M. Maddox, Percy Spencer.

Marion County—Miss Alice Ford, E. B. Lewis.

Martin County—S. W. Pratt, H. L. Winchell, Ray Bachman.

Matagorda County—G. W. Theus, Mrs. Lettie Lewis Himel.

McLennan County—Chas. E. Witt, Chas. B. Braun, Nolalee C. Wood, J. T. Smith, Tom Bryant, N. E. Skinner, W. A. Little, N. L. Warren, A. C. Upleger,

C. H. Pollard, C. A. Sherman, E. E. Ingraham, Howard D. McElroy, H. O. Dabney, Mrs. Patsy Winfrey, Harris Melasky, W. C. Zahm, C. A. Colson, W. O. Van Wyck, Mattie Dabbs, C. C. Lewis.

McMullen County—E. C. Hersman, H. D. Crosby.

Menard County—M. W. Shelley.

Milam County—Clyde Thacker, Miss Viola Meyers.

Mills County—W. W. Tippen.

Mitchell County—C. G. Hough.

Montague County—D. T. Herring, T. J. Precise, J. F. Freeman, Herbert S. Calaway, A. F. Tinney, F. H. Hemphill.

Morris County—Geo. E. Shive.

Nacogdoches County—Marion Castleberry, J. W. Baker.

Navarro County—B. F. Brooks, G. W. Carr, Miss F. Shirley, Leonard Gordon, Miss Margie Hyndman.

Nueces County—Thos. M. Colston, S. T. Bryant, H. L. O'Neal, R. A. Shostag.

Ochiltree County—Jas. D. Wyman.

Orange County—E. A. Cheatham, W. B. Simmons, Jr.

Palo Pinto County—A. N. Hewitt, E. B. Ritchie.

Panola County—P. W. Pittman.

Parker County—H. F. Grindstaff, Marvin Robertson, E. F. Browder, J. H. Boone, W. F. Hutcheson, E. H. Grindstaff, J. E. Carter.

Pecos County—Jonas Rienertson, F. S. Stubblefield, I. T. Pryor, Jr., E. P. Ramsey, Miss Lena Oswald, Geo. C. Haseltine, H. H. Kinnard, S. H. Murray. Potter County—Clement H. Yost, W. M. Jeter.

Presidio County—J. H. Fortner, Miss Emma Everitt, Miss Blanche Avant, Miss Jessie W. Woodward, H. L. Kelly, G. W. Collie, Hans Briam, J. W. Riordan.

Randall County—Grady Oldham.

Red River County—John Derryberry, Chas. M. Murrie, W. O. Diffie, O. C. Lawson, A. B. Ausmus.

Reeves County—Sam Swafford, Lewis E. Alexander, D. P. Kiser, Blanche Kiser.

Roberts County—H. J. Newman.

Robertson County—B. E. Satterfield, W. C. Crane, Miss Z. McKee, K. W. Gilmore.

Rockwall County—W. F. Reeves.

Runnels County—W. J. Case, Sam Baker, E. P. Scarbrough, R. R. Cogdell.

Rusk County—Jno. C. Gray, R. B. Weatherall, J. W. Elliot.

Sabine County—J. C. Berryman.

San Patricio County—Roy Duphone, J. C. Houts.

San Saba County—R. L. Seider.

Scurry County—E. C. Adams.

Shelby County—J. T. Norris, B. W. Burns.

Stephens County—R. M. White.

Smith County—A. P. Wilkinson, A. G. St. John, W. M. Black, W. A. Matkin, R. B. Starr, J. O. Hughes, Robt. G. Storey, W. E. Wilson, Pearl Yost, W. G. Kilfoyle, D. C. Dickinson, A. S. Butler.

Tarrant County—A. J. Wilson, M. D. Priest, H. B. Gately, Ruby Pyron, John H. Eaton, S. F. Houtchaus, J. F. Prosser, Edward David True, B. A. Denny, J. S. Matthias, P. V. Montgomery, Miss Essie Bardwell, D. D. Brown, J. E. Williams, L. A. McCasland, J. A. Graves, Miss Meta Duvall, T. H. Andrews, W. H. Land, A. C. Jones, E. B. Cheatham, Geo. S. Adams, Carl W. Wade, Richard R. Fleming, G. W. Wharton, Clyde H. Milliken, A. J. Lee, E. A. Turner, H. C. Ray, James McNamara, James H. Green, J. Wallace Buchanan, Miss Adella Mueller, Miss Gussie C. Maines, L. Berry, Mrs. Bertie Myrick, Paul B. Sturgis, Will C. Austin, E. D. Rutledge, Frances Pickens, W. D. Littler, Kate Harrison, D. L. Irwin, Robt. F. Peden, R. A. Stuart, Stella Wiggs, J. R. Black, Francis M. Smith, J. M. Provine, A. E. Lyerly, Harry C. Gerlach, G. S. Williams, G. E. Blewett, E. C. Buckalew, Leon B. Frank, S. B. Cantey, Jr., W. S. Daniel, Nannie Bennett, L. R. Secreest, A. L. Sugs, W. J. Gilvin, Nannie Smith, H. C. Ray.

Taylor County—W. T. Daniel, S. J. Tillett, W. M. G. Mackechney, S. J. Tillett, Thomas M. Willis.

Terrell County—A. T. Folson.

Titus County—I. N. Williams, M. W. Cheney, Seb. F. Caldwell, C. Y. Parsons, M. D. Blackburn, H. P. Buford, C. L. Brontley.

Tom Green County—C. E. Mays, Jr., I. J. Cursinger, Felix Probandt, R. C. Ramsey.

Travis County—Henry Runge, B. F. Russell, Walter P. Luck, Mitola Beatty, Miss Mattie Mabel Summers, O. S. Myers, A. E. Zevely, Paul Berghaus, W. R. Long, J. A. Bobo, Miss Nannie Loden, Addie N. McClellon, Julius H. Runge, S. N. Barron, Louise Cope, W. T. Potter, Cecil M. Brown.

Tyler County—W. E. Adams, A. G. Reid, J. E. Wheat.

Upshur County—R. M. Briggs, W. M. Mathis, Harry Smith, I. E. Stephens, J. M. Shepherd, H. M. Patterson, Miss Grace Glezen, B. M. Thomas.

Upton County—L. M. Ainsworth.

Uvalde County—J. L. McCammon,

Ditzler H. Jones, I. H. Burney, Paul R. Ellis, H. P. Hornby.

Van Zandt County—R. W. Garrett, O. C. Bruce, C. V. Thompson, T. R. Bacon, Miss Allie Smith, J. G. Kearby, Ernest A. Petrea, Richey Alexander, A. W. Meredith.

Victoria County—Miss Jessie Eason, Miss B. B. Bishop, J. R. Gervais.

Walker County—Bertha Kilman, Jno. E. Kilgore, Comer P. Cumber.

Webb County—Eugene Robin.

Wharton County—J. F. Bryson, R. M. Brown, Lillian Oshman, Joe Burger.

Wheeler County—Lillie Easley, C. E. McVey.

Wichita County—W. B. Chauncey, Miss Mamie Meadors, Miss Stella McKenzie, Miss Paralee Ragsdale, S. H. Hodges, Bernard Martin, Roy J. Neblett, E. H. Eddleman, S. Heyser, W. Lindsey Bibb, J. J. Moran, E. W. Carter, C. E. Ruthruff, C. M. McFarland, S. O. Jones, Miss Edna James, R. L. Edwards, Milton Clendenin.

Williamson County—E. B. Simmons, R. E. Bowers, Daniel Moody, A. J. Dostalick, O. J. Frerichs, F. B. Steffa, J. C. Council, E. H. Lawhon, W. T. Mathis.

Wilson County—Miss Ramah Franklin.

Wise County—J. E. Hall, Guinn Williams, E. E. Gose, E. P. Gibson, E. P. Harding, H. M. Foster, J. E. Nelson.

Wood County—Chris W. Burnett, W. G. Russell, R. E. Kennedy, J. W. Lambert.

Young County—Gould Whaley.

#### SUPPLEMENTAL LIST.

DeWitt County—R. C. Fechner, W. P. Meissner, Fritz A. Schorre, Jr., A. E. Fritsche, B. L. Hausmann, John W. Neill, Irene M. Stell, Fred T. Mugge, Charles J. Eckhardt, John C. Butler, Miss Ethel Gee.

Live Oak County—S. F. Weatherly.

Bee County—H. S. Bonham, G. C. Robinson, J. Ed Dougherty.

Karnes County—C. G. Beken, A. G. McNeill, A. Conrads, L. W. Stieren, W. H. Howard.

Goliad County—Irvin McDonald.

Cherokee County—E. E. Guinn, Chas. F. Adams, Robt. S. Bolton, John Howard, L. F. Weeks, C. B. Newsom, M. B. Little, H. L. Kirkpatrick.

Bexar County—Arthur Surkamp.

Bastrop County—W. L. Moore.

Childress County—R. A. Bowers, Jno. P. Fleming, J. M. Crews, E. R. Biggs.

Wichita County—W. Lindsey Bibb, J. J. Moran, E. W. Carter, C. E. Ruthruff, C. M. McFarland, S. O. Jones, Miss



Edna James, R. L. Edwards, Milton Clendenin, Martin L. Allday.

Clay County—Nolan T. Gaines.

McMullen County—Russell Burmeister.

Atascosa County—H. J. Niemeyer.

Wilson County—B. F. Nelson.

Houston County—W. A. Moore, Jno.

Siddon, R. G. Cyphers, J. F. Scruggs, W. H. Spinks, Morris Long, William H. Long, W. L. Vaught, O. C. Goodwin, J. M. Ellis, R. L. Dominy, T. A. Hayes.

Anderson County—Clay Cotton, Miss Rena Hunter, C. L. Hufsmith.

Angelina County—E. B. Robb.

Respectfully submitted,  
O. B. COLQUITT,  
Governor of Texas.

#### EXECUTIVE SESSION—TIME SET FOR.

Senator Hudspeth moved that the above message be printed in the Journal and that the Senate postpone consideration of the message until 3 o'clock Monday afternoon and that it be made a special order for that hour.

The motion was adopted.

#### HOUSE BILL NO. 4.

Action recurred on House bill No. 4 the question being on the substitute for the pending amendment, and,

Senator Clark moved the previous question on the substitute for the amendment, which being duly seconded was so ordered.

The substitute for the amendment was lost by the following vote:

Yeas—11.

Bailey of DeWitt.	Johnson.
Carter.	Morrow.
Clark.	Nugent.
Conner.	Townsend.
Greer.	Wiley.
Hall.	

Nays—17.

Bailey of Harris.	McNealus.
Brelsford.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Warren.
Harley.	Watson.
Henderson.	Westbrook.
Hudspeth.	Willacy.
Lattimore.	

Absent.

McGregor.

#### PAIRED.

Senator Collins (present), who would vote "nay," with Senator Astin (absent), who would vote "yea."

Senator Westbrook offered the following amendment to the amendment:

Sec. 6a. After the word "procure" strike out the words "and keep." Before the word "fair" strike out the word "two" and insert the word "three." After the word "Company," ending the sentence, insert the sentence "One of said samples may be retained by the ginner and the two other samples shall be delivered to the owner of the cotton." Beginning the next sentence insert the words "twelve months" before the word "after."

Pending discussion Senator Clark, at 4:15 o'clock p. m., moved that the Senate adjourn until 10 o'clock Monday morning.

The motion was lost.

Action recurred on the amendment to House bill No. 4, and Senator Clark moved the previous question on same, which being duly seconded was so ordered.

The amendment was lost by the following vote:

Yeas—12.

Bailey of DeWitt.	Harley.
Carter.	Johnson.
Clark.	McGregor.
Darwin.	Townsend.
Greer.	Westbrook.
Hall.	Wiley.

Nays—13.

Bailey of Harris.	Nugent.
Brelsford.	Real.
Cowell.	Taylor.
Gibson.	Warren.
Henderson.	Watson.
Hudspeth.	Willacy.
Lattimore.	

Present—Not Voting.

Conner.	Morrow.
McNealus.	

Absent.

Terrell.

#### PAIRED.

Senator Collins (present), who would vote "yea," with Senator Astin (absent), who would vote "nay."

Senator Townsend offered the following amendment:

Amend the bill on pages 1 to 4, inclusive, by striking out all of Section 1 after the word "by," line 21, page 2,

and add the following thereafter: "the Commissioner of Agriculture," and strike out all of Sections 2 and 3 of said bill.

Senator Collins made the point of order that the above amendment was not germane to the bill, in that it sought to change the purposes of the bill, by placing the operation of the measure under the supervision of the agricultural department, whereas the bill provided for a marketing commissioner, etc.

The Chair overruled the point of order.

Senator Brelsford moved to table the amendment, which motion was lost by the following vote:

Yeas—8.

Bailey of Harris.	Lattimore.
Brelsford.	Warren.
Gibson.	Watson.
Hudspeth.	Willacy.

Nays—18.

Bailey of DeWitt.	Johnson.
Carter.	McGregor.
Conner.	McNealus.
Cowell.	Morrow.
Darwin.	Nugent.
Greer.	Taylor.
Hall.	Townsend.
Harley.	Westbrook.
Henderson.	Wiley.

Present—Not Voting.

Real.

PAIRED.

Senator Collins (present), who would vote "yea," with Senator Astin (absent), who would vote "nay."

Senator Terrell (present), who would vote "yea," with Senator Clark (absent), who would vote "yea."

Action then recurred on the amendment and the same was lost by the following vote:

Yeas—17.

Bailey of DeWitt.	Johnson.
Carter.	McNealus.
Conner.	Morrow.
Cowell.	Nugent.
Darwin.	Taylor.
Greer.	Townsend.
Hall.	Westbrook.
Harley.	Wiley.
Henderson.	

Nays—9.

Bailey of Harris.	Hudspeth.
Brelsford.	Lattimore.
Gibson.	McGregor.

Warren.  
Watson.

Willacy.

Present—Not Voting.

Real.

PAIRED.

Senator Collins (present), who would vote "nay," with Senator Astin (absent), who would vote "yea."

Senator Terrell (present), who would vote "nay," with Senator Clark (absent), who would vote "yea."

Senator Townsend moved to reconsider the vote by which the amendment was adopted and lay that motion on the table.

The motion to table was adopted.

Senator Morrow offered the following amendment:

Amend the bill, page 18 by striking out all of Section 22, after the word "warehouseman," in line 14.

The amendment was read and adopted.

Senator Watson offered the following amendment:

Amend the bill, line 21, page 17, Section 21 by striking out the words "have power to," and by striking out the word "or" in line 23, Section 21 after the word "act" and insert in lieu thereof the word "and," and by adding after the words "individual policies" in line 22 the following: "in some solvent stock insurance company chartered under the laws of the State of Texas or having a permit to do business in the State of Texas."

The amendment was read and Senator Lattimore offered the following amendment to the amendment:

Amend by striking out the word "stock" in said amendment.

The amendment was adopted, and the amendment, as amended, was adopted.

Senator Watson offered the following amendment:

Amend the bill by adding at the end of Section 21 the following:

"No fire, fire and marine, marine or inland insurance company, doing business in this State, shall expose itself to any one risk, either upon buildings of any character, or their contents, except when insuring cotton in bales, and grain, in an amount exceeding ten per cent of the aggregate of its paid up capital stock and its surplus, unless the excess shall be insured by such companies in some other solvent insurance company legally authorized to do business in this State."

The amendment was read and adopted.

Senator Harley offered the following amendment:

Amend the printed bill, page 10, Section 13, line 23 by striking out the word "and" after the word corporation and insert therein a comma, and by adding after the word "Texas" in line 24, "and bona fide residents of the county in which such warehouse is located, and no member of a board of directors of one warehouse created and operating under this act shall be a member of a board of directors of any other such warehouse."

Senator Nugent offered the following amendment to the amendment, which was adopted.

Amend the amendment by inserting after the word "locate" the words "or an adjoining county."

The amendment, as amended, was adopted.

Senator Taylor offered the following amendment:

Amend the bill as follows: In line 5, page 5, strike out all after the semicolon after the word "year" down to and including the word "dollars" in line 14, on page 5, and insert the following: "and which bond shall be in the sum of \$1.00 for each bale of cotton ginned by said gin the next preceding season, provided in no event shall a bond of more than \$2500 be required of any one ginner for each gin he may own, and provided further when said gin begins for the first season, a bond of \$500 shall be required."

TAYLOR,  
COLLINS.

The amendment was read and adopted.

Senator Gibson offered the following amendment:

Amend by inserting after the word "ginner" at the end of line 15, Section 6, page 6, of the printed bill the following: "As far as said ginner or gin company may be able to determine."

The amendment was read and adopted.

Senator Darwin offered the following amendment:

Amend the bill, page 8, line 22, by inserting between the words "purpose" and the word "for" the words "or purposes."

The amendment was read and Senator Collins moved to table same, which motion was lost by the following vote:

Yeas—9.

Brelsford.	Henderson.
Collins.	Hudspeth.
Conner.	Warren.
Cowell.	Watson.
Gibson.	

Nays—14.

Bailey of Harris.	Morrow.
Darwin.	Nugent.
Greer.	Real.
Harley.	Taylor.
Johnson.	Townsend.
Lattimore.	Westbrook.
McNealus.	Wiley.

Present—Not Voting.

Carter.	Hall.
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Absent.

Astin.	McGregor.
Bailey of DeWitt.	Terrell.
Clark.	Willacy.

The amendment was then lost.

Senator Darwin offered the following amendment:

Amend the bill, page 18, line 19, by striking out the figures "\$1000" and by inserting in lieu thereof the figures "\$500."

The amendment was read and lost by the following vote:

Yeas—11.

Bailey of DeWitt.	McNealus.
Bailey of Harris.	Townsend.
Darwin.	Warren.
Greer.	Westbrook.
Hall.	Wiley.
Johnson.	

Nays—12.

Collins.	Lattimore.
Conner.	Morrow.
Cowell.	Nugent.
Gibson.	Real.
Henderson.	Taylor.
Hudspeth.	Watson.

Present—Not Voting.

Brelsford.	Carter.
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Absent.

Astin.	McGregor.
Clark.	Terrell.
Harley.	Willacy.

Senator Lattimore offered the following amendments, severally, which were read and adopted:

(1)

Amend the bill, page 32, by striking out the words "two years" in lines 10 and 18, and inserting in lieu thereof the word "term."

(2)

Amend the bill, page 9, line 11, by

striking out the words "the following March" and inserting the following: "March of the following year."

(3)

Amend the bill, page 6, by striking out the word "it" in line 16, and inserting after the word "bond" and before the comma, the following: "That no fraud was practiced in taking such samples and that same were fairly taken from said bale and were taken in such manner as that the taker believed them to be true, correct and fair samples of said bale."

Senator Wiley offered the following amendment:

Amend the bill, page 32, by striking out all of lines 13 to 19, inclusive.

Senator Hudspeth moved to table the amendment, which motion to table was lost by the following vote:

Yeas—8.

Bailey of Harris.	Hudspeth.
Brelsford.	Nugent.
Collins.	Warren.
Gibson.	Watson.

Nays—16.

Bailey of DeWitt.	Henderson.
Carter.	Johnson.
Conner.	Lattimore.
Cowell.	Real.
Darwin.	Taylor.
Greer.	Townsend.
Hall.	Westbrook.
Harley.	Wiley.

Present—Not Voting.

Morrow.

Absent.

Astin.	McNealus.
Clark.	Terrell.
McGregor.	Willacy.

The amendment was then adopted.

Senator Lattimore offered the following amendment:

Amend the bill, page 12, by striking out all after the word "examination" in line 8, down to and including the word "examination" in line 10, and by inserting the words "not exceeding" after the word "pay" in lines 3 and 5.

Senator Lattimore moved the previous question on the amendment and the engrossment of the bill, which motion was duly seconded, and the Senate refused to order same by the following vote:

Yeas—11.

Bailey of Harris.	Lattimore.
Brelsford.	Morrow.
Cowell.	Nugent.
Gibson.	Taylor.
Henderson.	Warren.
Hudspeth.	

Nays—14..

Bailey of DeWitt.	Harley.
Carter.	Johnson.
Collins.	Real.
Conner.	Townsend.
Darwin.	Watson.
Greer.	Westbrook.
Hall.	Wiley.

Absent.

Astin.	McNealus.
Clark.	Terrell.
McGregor.	Willacy.

Senator Bailey of DeWitt moved that the Senate adjourn until 10 o'clock tomorrow morning, but the motion was lost.

The pending amendment by Senator Lattimore was adopted.

Senator Real offered the following amendment:

Amend the bill on page 32, line 8, by striking out "\$50,000" and insert in lieu thereof "\$30,000."

Senator Collins moved to table the amendment and the "yeas" and "nays" were demanded. The roll call developed no quorum voting, the vote being as follows:

Yeas—5.

Bailey of Harris.	Hudspeth.
Gibson.	Watson.
Henderson.	

Nays—12.

Brelsford.	Real.
Cowell.	Taylor.
Greer.	Townsend.
Johnson.	Warren.
Lattimore.	Westbrook.
Morrow.	Wiley.

Present—Not Voting.

Bailey of DeWitt. Nugent.

Absent.

Carter.	Harley.
Clark.	McGregor.
Conner.	McNealus.
Darwin.	Terrell.
Hall.	Willacy.

PAIRED.

Senator Collins (present), who would

vote "yea," with Senator Astin (absent), who would vote "nay."

Senator Hudspeth moved a call of the Senate to secure and maintain a quorum, which motion was seconded. The Chair directed the roll called, and the following Senators were present:

Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Collins.	Real.
Cowell.	Taylor.
Gibson.	Townsend.
Greer.	Warren.
Henderson.	Watson.
Hudspeth.	Westbrook.
Johnson.	Wiley.
Lattimore.	

Absent.

Astin.	Hall.
Bailey of DeWitt.	Harley.
Carter.	McGregor.
Clark.	McNealus.
Conner.	Terrell.
Darwin.	Willacy.

The Sergeant-at-Arms was instructed to bring in the absentees.

Pending delay, Senator Taylor moved that the Senate adjourn until 10 o'clock tomorrow morning.

The motion was lost.

(Senator Henderson in the chair.)

Senator Lattimore, at 6:45 o'clock, moved that the Senate recess until 8 o'clock tonight.

Senator Watson made the point of order no business had been transacted since a motion to adjourn had been voted down.

The Chair was sustained the point of order.

Here Senator McNealus was announced at the bar of the Senate and marked present.

At 6:55 Senator Harley was announced at the bar of the Senate.

(President Pro Tem. Warren in the chair.)

The Chair directed the roll called, a quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	McNealus.
Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Cowell.	Real.
Gibson.	Taylor.
Greer.	Townsend.
Harley.	Warren.
Henderson.	Watson.
Hudspeth.	Westbrook.
Johnson.	Wiley.
Lattimore.	

Absent.

Astin.	Darwin.
Carter.	Hall.
Clark.	McGregor.
Collins.	Terrell.
Conner.	Willacy.

Action recurred on the pending amendment to H. B. No. 4, by Senator Real, the question being on the motion to table same.

The motion to table was lost by the following vote:

Yeas—5.

Bailey of Harris.	Hudspeth.
Brelsford.	Watson.
Gibson.	

Nays—16.

Bailey of DeWitt.	Morrow.
Cowell.	Nugent.
Greer.	Real.
Harley.	Taylor.
Henderson.	Townsend.
Johnson.	Warren.
Lattimore.	Westbrook.
McNealus.	Wiley.

Absent.

Carter.	Hall.
Clark.	McGregor.
Conner.	Terrell.
Darwin.	Willacy.

PAIRED.

Senator Collins (present), who would vote "yea," with Senator Astin (absent), who would vote "nay."

The amendment was then adopted.

Senator McNealus, at 7:10 o'clock, moved that the Senate adjourn until 10 o'clock Monday morning, which motion was lost.

Action recurred on the passage of H. B. No. 4 to a third reading and, on that question the previous question was ordered.

The bill, having already been read, was passed to a third reading by the following vote:

Yeas—14.

Bailey of Harris.	Lattimore.
Brelsford.	Morrow.
Cowell.	Nugent.
Gibson.	Real.
Harley.	Taylor.
Henderson.	Warren.
Hudspeth.	Watson.

Nays—9.

Bailey of DeWitt.	Greer.
Darwin.	Hall.

Johnson.  
McNealus.  
Townsend.

Westbrook.  
Wiley.

Present—Not Voting.

Conner.

Absent.

Carter.  
Clark.  
McGregor.

Terrell.  
Willacy.

PAIRED.

Senator Collins (present), who would vote "yea," with Senator Astin (absent), who would vote "nay."

Before the above vote was announced, and while the vote was being verified, Senator Conner came in and desired to vote, and

Senator Watson made the point of order that Senator Conner was not entitled to vote, since he was not in the Senate Chamber at the time the question was stated.

The Chair sustained the point of order, and Senator Bailey made the further point of order that a member had a right to vote at any time before the vote was announced. The Chair overruled the latter point.

The Chair declared the result of the vote.

Senator Lattimore moved that the constitutional rule requiring bills to be read on three several days be suspended and the bill put on its third reading and final passage.

#### SENATE BILL NO. 12—FREE CONFERENCE COMMITTEE ON.

Senator Bailey of DeWitt made the following motion in writing:

I move that the Senate do not concur in the House amendments to Senate bill No. 12 and that the Senate do request a Free Conference upon said bill and that the following Senators be elected members of said Free Conference Committee on the part of the Senate, to-wit: Cowell, Terrell, Bailey of DeWitt, Carter, Wiley.

The motion was read and adopted.

#### ADJOURNMENT.

Pending discussion, Senator Conner, at 7:30 o'clock p. m., moved to adjourn until 10 o'clock tomorrow morning, which motion was adopted by the following vote:

Yeas—15.

Bailey of DeWitt.	Johnson.
Brelsford.	Lattimore.
Conner.	McNealus.
Cowell.	Nugent.
Darwin.	Real.
Greer.	Townsend.
Harley.	Wiley.
Henderson.	

Nays—8.

Bailey of Harris.	Hudspeth.
Collins.	Warren.
Gibson.	Watson.
Hall.	Westbrook.

Absent.

Astin.	Morrow.
Carter.	Taylor.
Clark.	Terrell.
McGregor.	Willacy.

#### APPENDIX.

##### EXECUTIVE COMMUNICATION.

The Chair had the following communication from the Governor read, and by order of the Senate it is herewith printed:

September 18, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate:

Soon after the Senate advised and consented to the appointment of the Prison Commissioners, I saw a statement published estimating the prison system's indebtedness at \$2,000,000. Understanding the inaccuracy of this statement and believing that it was based upon errors of political gossip, I asked Hon. W. O. Murray, chairman of the Prison Commission, to make me up a statement showing the exact indebtedness of the prison system.

Believing that justice should be done all public servants, and being of the opinion that the Senate would like to know the facts, I am transmitting herewith, for the information of the Senate, if you care to publish same in the Journal, a letter and statement furnished me by the chairman of the Prison Commission on this subject.

September 8, 1914.

Hon. O. B. Colquitt, Governor, Austin, Texas.

Dear Sir: As per your request, I am inclosing you statement of the financial

condition of the prison system as it appears upon our books of August 1, 1914.

I understand what you wanted to be this: You wished to know just how badly the prison system was involved, that is to say how many dollars it would take to pay every outstanding bill against the system and leave the system free of debts of every class and character. Understanding this to be what you desired, I so instructed the book-keeping department and asked them to prepare a statement of this kind, which statement I am now inclosing you, made as of August 1, 1914.

I had the balances made as of August 1st for the reason that the August business had not yet all been entered and it would have delayed matters several days for me to have waited and made the statement as of September 1, 1914.

By way of explanation, you will see that we have deducted the \$675,430, which is the appropriation made by the Legislature for the fiscal year beginning September 1. Had this been paid, the system would have been owing August 1, \$584,330.16. Included in this balance is the \$90,000 balance of the purchase money of the Shaw farm, which the present Prison Commission purchased last December. You will also see that the last Legislature, through an error, I don't know just how it occurred, made a mistake of \$156,110.03. In other words they intended to appropriate a sum sufficient to pay all outstanding debts of the system, but they appropriated a sum \$156,110.03 less than the outstanding debts of the system. Up to the time of the appropriation there had already accrued upon this old indebtedness \$40,000 interest. There has also been presented to the present Commission many claims of various kinds, in some cases reaching back for several years past, and after thorough investigation the Commission was convinced that the claims were just, due and unpaid, and hence they were allowed and entered upon our books. In this statement we have estimated these accounts at \$10,000. We did not go to the trouble of going through the books and working them out exactly. It is only an estimate made by the book-keeper. My own opinion is that the accounts of this kind will reach not less than \$25,000, instead of \$10,000.

We also have balances which represent debts, prior to January 1, 1914, contracted by the present Commission and remaining unpaid amounting to \$65,000. Adding these amounts all to-

gether you will find they aggregate \$361,110.03, which when subtracted from the \$584,330.16, leaves \$223,220.30, which represents all the debts contracted by the present Commission since the first day of last January and remaining unpaid.

Of course, you will understand that all bills receivable and collectible, as well as the proceeds from the crops, will be available for the balance of this year for paying current expenses and applying on the outstanding debts of the system.

We have made no estimate of the income of the system from the very fact that any estimate now would be merely guesswork. We are ginning our cotton and taking care of it on the farms and at the gins as best we can. We have already ginned somewhere between five and eight hundred bales, but have not sold nor moved a single bale from the farms.

Trusting that the inclosed statement, together with this explanation, will give you the information you desire, I beg to remain,

Yours very truly,  
(Signed) W. O. MURRAY,  
Chairman, Prison Commission.

#### STATEMENT.

August 1, 1914.

	Debits.	Credits.
Bills payable ..	\$1,042,991.68	
Accounts payable .....	222,160.05	
	<u>\$1,265,151.73</u>	
Appropriation available for disbursement .....		\$675,430.00
Cash on hand.....		5,391.57
		<u>\$680,821.57</u>
Total indebtedness August 1, 1914 .....	\$1,265,151.73	
Less available Apprn. and cash .....	<u>680,821.57</u>	
Total net indebtedness August 1, 1914.	\$ 584,330.16	

Note:—One hundred thousand dollars outstanding R. R. bonds against Texas State R. R. not included in above.

Accrued interest since Nov. 1, 1913, not included.

## EXPLANATORY.

Accounts closed by note, March 1, 1913.....	\$1,253,717.75
Due on open accounts March 1, 1913 .....	218,252.55
Due for interest to March 1, 1913 .....	35,000.00
<b>Total indebtedness March 1, 1913 .....</b>	<b>\$1,506,970.30</b>
<b>Amount appropriated by Legislature .....</b>	<b>1,350,860.27</b>
<b>Balance old indebtedness to March 1, 1913, which was not provided for by appropriation .....</b>	<b>\$ 156,110.03</b>
Interest from March 1 to November 1, when first one-half appropriation was available and pay- ment made .....	40,000.00
Old accounts not accounted for in statement by for- mer Commission, but proven and since credited	10,000.00
Balance due for 1913 busi- ness after March 1.....	65,000.00
Nine vendor's lien notes due on Shaw farm purchase.	90,000.00
	<b>\$ 361,110.03</b>

## SUMMARY.

Balance due August 1, 1914.	\$584,330.16
Less amount due January 1, 1914 .....	361,110.03
<b>Balance due on 1914 busi- ness from Jan. 1 to Aug. 1.</b>	<b>\$223,220.13</b>

I, J. N. Robinett, bookkeeper for the Texas State prison system do hereby certify that the above and foregoing statement, as of August 1, 1914, is true and correct by the books and records in my office.

(Signed) J. B. ROBINETT,  
Bookkeeper.

The foregoing figures show how economically the present Board of Prison Commissioners are now managing the prison system. The prison system, as you know, has to operate upon its own credit and resources. The Commissioners have to buy supplies of all kinds for the prisoners and the prison system on a credit and pay for them when their crop is gathered and sold, as is the case with most farmers. You will note that the indebtedness created by the present Commission from January 1, to August

1, seven months, is only \$223,220.13, on an average of \$31,888.79 per month.

The Commission, I am advised, will have one of the largest cotton crops it has yet produced on the prison farm. The yield, as estimated, will probably amount to seven thousand bales of cotton, and, averaging good prices for the cotton and cane crop, the prison farm's productions will bring more than enough to pay all of its obligations by the close of the year. The \$675,430 appropriated by the Legislature to meet the old debts as explained by Chairman Murray, will all be paid by the end of the present calendar year, so it will be seen from this statement that even under the adverse conditions the Prison Commissioners have had to deal with, they are about to place the prison system on a self-supporting basis. With fair prices for their productions, it will be on a self-supporting basis by the end of my term as Governor.

The Prison Commissioners have had the greatest of difficulties to deal with and as instances, I quote another letter from Chairman Murray for the information of the Senate.

September 8, 1914.

Hon. O. B. Colquitt, Governor, Austin, Texas.

Dear Sir: Complying with your request that I give you in detail some of the conditions experienced by the Prison Commission since December 1, 1913, I shall undertake the following statement of facts told in narrative form by first apologizing to you for not having submitted to you on January 1st a full report of the condition of the system. We did not file this report for the simple reason that we did not have time to collect any data, and for the further reason that Mr. Bass and myself at that time were almost fit subjects for the lunatic asylum and we did not wish to burden you with our troubles but preferred to bear them alone in silence.

As you are familiar with the December flood of last year it is not necessary to describe in a general way any of the conditions surrounding us or the country at large during those trying days of the flood. It is sufficient to say that the prison system of Texas had somewhere near twenty-seven hundred convicts in the Brazos Valley at that time, and after it became apparent that the Valley was going to be overflowed it became necessary to get all the convicts off of the farms and out on high land.



At that time I had started to Austin to see you on a matter of business and got marooned between Cuero and San Antonio for several days. During this time Messrs. Bass and Tittle exhausted all the ingenuity of their very beings in getting all the convicts and employes out of the Brazos Valley, and how well they succeeded can be told in one simple sentence. They did not lose the life of a single convict or employe; and during the time that these convicts were held in camps out in the open, on trains which they had chartered, they did not lose a single convict.

All of these men and all the stock (hogs, horses and cattle) had to be gotten out of the Valley, and those from the Ramsey farm had to be carried about thirty miles before they reached dry land. All of the forces were kept away from the prisons something like two weeks, and the Ramsey force could not return for about three weeks. When they did return the men had to walk as long as they could find any land to walk on and then were placed in boats and carried until another strip of land was reached. In other words, they had to walk a while and swim a while to reach Ramsey farm.

After they had been taken back to the camps you can imagine the awful conditions existing there where all the buildings had been under water to a considerable depth, leaving sediment in all the buildings. This was not all. Provisions to keep the Ramsey force for a full thirty days longer had to be carried from Bonney on the backs of convicts as far as they could walk and loaded into boats and carried part of the way back to the prison.

A conservative estimate of the cordwood (a great part of which had been hauled up to the camps and some of it to the railroad right-of-way) I place at ten thousand cords of dry wood. In fact, we were at the time of the flood shipping the wood to Houston, having shipped out only a few cars. The flood came and we were forced to buy wood in the city of Houston and pay \$5.00 a cord for it, load it on the cars and pay freight on it to where we had the convicts concentrated. This was done for the purpose of keeping them from freezing and for cooking them something to eat. Even after the convicts had been gotten back to the camps we were forced to buy coal and wood and ship to them for some time, for the reason that every cord of wood had been washed away and it was impossible to get men or

wagons into the woods to cut or haul any. Hence we were forced to buy wood and coal for keeping them warm and cooking their grub for some time. Some of the camps were able to secure wood in a short time, while in other places it was some time before they could supply themselves with wood.

The system lost fifty to sixty per cent of all the corn that had been harvested and one hundred per cent where it had not been harvested. We had provided all hay necessary for a full twelve months. This was a total loss. Sweet potatoes are considered a necessary article of food in the Brazos Valley, and all the farms had made good crops of sweet potatoes, and some of them had made very large crops. I remember that on the Ramsey farm, Camp No. 3, about five days before the flood Capt. Florence showed me where he had just housed in splendid shape three or four thousand bushels of sweet potatoes. After this flood I don't think there was a peck of sweet potatoes left on all the State farms combined. We must have lost ten or twelve thousand bushels of Irish potatoes, as well.

All the farm managers deserve praise for the splendid management in getting as much of the property out of the Valley as they did, and while they saved all the mules from drowning and many of the hogs and cattle, yet we lost some cattle and hogs. This loss, however, was not very considerable.

One of the most serious losses of the whole system consisted of the bridges and culverts. I have been told that there was not a single bridge or culvert left standing on any of the State farms. Many of the bridges across Oyster Creek had cost from fifteen hundred to thirty-five thousand dollars. The loss of these bridges made it almost impossible of ingress and egress from the farms. While many of these bridges and culverts were rescued after the flood had passed many of them I suppose, landed in the Gulf of Mexico, and the work of bringing back and putting up those that were found, and building new ones where the old ones had stood, was an item that weighed very heavily upon the prison system.

However, the December flood, while it was bad enough, in my judgment, was not so disastrous to the interests of the system as the three floods that we have experienced during the past spring, between the first of February and June. Three of the farms (Imperial, House and Ramsey) have experienced three

partial overflows this past spring. In order that you may understand something about what these partial overflows meant to the prison system, I will give you the following illustration:

Somewhere near the first of June, after the last overflow on the Ramsey farm, Mr. Bass and I visited the farm by walking part of the way and then securing a hand-car the balance of the way from House. When we got down to Camp No. 3, where they claim to have just one thousand acres in cultivation and all of which was planted in corn, we were told that this farm had had about the best corn crop in the system. The corn was just about in silk and tassel and that overflow had covered some two or three hundred acres of this land from one to four feet deep in sediment on the upper side of the farm. On the lower side of the farm, while I have no record of knowing accurately the number of acres, in my judgment some three hundred acres of the soil had been lifted up and washed away to a depth of from one to four feet, or at least that was my guess. There was left standing of that one thousand acres of corn, I would judge, not more than one hundred and fifty acres and part of that I considered damaged to such an extent that it would never recover from the flood.

On every farm in the system we were forced to replant both cotton and corn from one to three times; and over a considerable area, I should judge from three to five thousand acres, the third planting was absolutely destroyed and a total loss, it being necessary to abandon further efforts at replanting for the reason that it was considered too late to raise anything after the water had gone off and the men could get in the fields to work.

This will give you a vague idea of the difficulties that we have been laboring under. I have asked quite a number of men whom I considered of sound judgment and of more or less experience, and of unbiased opinions, to estimate the amount of work it had required to make a crop this year, and so far as I remember, without exception it has been the candid opinion of one and all that the prison system had done enough work in making this crop to have made two crops in ordinary years.

I should not have troubled you with matters of this kind had you not requested that I do so. You can understand that I have not undertaken to go

into details as to all our little troubles, for I have only mentioned those that occurred to my mind as being the most important. You can readily imagine a thousand troubles that we have had of minor importance, all of which I do not now remember.

If I understand something of the information you desire, the above and foregoing will present the matter to your mind in such a manner that your own knowledge of conditions as they existed will enable you to form an accurate idea of the conditions that have confronted us during the past year.

Yours very truly,  
(Signed) W. O. MURRAY,  
Chairman, Prison Commission.

Numerous hardships which the Commissioners have overcome, are not enumerated by Chairman Murray in the foregoing letter. For instance: On one of the larger prison farms continuous rains for forty odd days prevented them from sticking a plow in the ground. The prisoners were carried to the fields where they pulled up the weeds and loaded them on wagons and hauled them to the turn-rows where they could be destroyed, for if they were pulled up and thrown back upon the ground, the rains over night, would have started them to growing afresh. I also omitted to mention the fact that the overflows in the Brazos Valley last spring totally destroyed about nine thousand acres of cotton.

In view of what has been said of the Commissioners, and your confirmation of their appointment, I feel like this information is due as justification for your action in confirming them.

Respectfully submitted,  
O. B. COLQUITT,  
Governor of Texas.

#### PETITIONS AND MEMORIALS.

Senator Lattimore presented a telegraphic letter from Jas. D. Farmer of Fort Worth expressing opposition to Bank of Texas legislation.

Senator Westbrook offered a letter from Ed Seaton of Emory, asking for passage of moratorium law.

Senator Johnson presented a letter from E. A. Carlock, Paducah, Cottle county, opposing the passage of a moratorium law.

## COMMITTEE REPORT.

Committee Room,  
Austin, Texas, September 18, 1914.

Hon. Robt L. Warren, President Pro  
Tem. of the Senate.

Sir: Your Judiciary Committee No. 1, to whom was referred

S. B. No. 15, A bill to be entitled "An Act to amend Article 5477 of the Revised Civil Statutes of the State of Texas relating to the landlord's lien so as to provide that such lien as to agricultural products, when stored in bonded warehouses regulated and controlled by the laws of the State of Texas, shall continue so long as such products remain in such warehouses and declaring an emergency."

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed.

CARTER, Acting Chairman.

## TWENTY-SECOND DAY.

Senate Chamber,  
Austin, Texas,

Saturday, September 19, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	McNealus.
Collins.	Morrow.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Hall.	Watson.
Harley.	Westbrook.
Henderson.	Wiley.
Hudspeth.	

Al sent.

Willacy.

Absent—Excused.

Astin.  
Clark.

Nugent.

Prayer by the Chaplain.

Pending the reading of the Journal of

yesterday, the same was dispensed with on motion of Senator Bailey of Harris.

## EXCUSED.

On account of important business:

Senator Astin, for non-attendance yesterday afternoon, and until next Tuesday, on motion of Senator Bailey of DeWitt.

Senator Clark, for today, on motion of Senator Collins.

Senator Nugent, for today and until Tuesday, on motion of Senator Brelsford.

## HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 19, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House grants request of the Senate for a Free Conference Committee on Senate bill No. 12. The following members on part of the House have been appointed:

Messrs. Tillotson, Flournoy, Savage, Vannoy and McCrory.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

## HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 19, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bills:

S. B. No. 10, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling or operating a cotton seed oil mill, and of owning, controlling or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures, and procedure for enforcing this act; prohibiting any interference with or restrictions of competition in the sale, handling, or marketing of cotton seed; giving all corporations engaged in the

business of operating cotton seed oil mills, that now own, control or operate public cotton gins nine months from the taking effect of this act to sell or otherwise dispose of their gin properties and interests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cotton seed oil mill business to be in any manner engaged in or in any manner interested therein in this State or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punishments, and procedure for all corporations and persons violating this act," with amendments.

H. B. No. 11, A bill to be entitled "An Act regulating cotton oil mill corporations and public cotton gin corporations," with engrossed rider.

Respectfully,  
W. R. LONG,

Chief Clerk, House of Representatives.

HOUSE BILL NO. 11.

H. B. No. 11 was laid before the Senate, read first time and referred to Judiciary Committee No. 2.

SENATE CONCURRENT RESOLUTION  
NO. 8.

By Senator Johnson:

Be it resolved by the Senate of Texas, the House of Representatives concurring, That the Second Called Session of the Thirty-third Legislature fix Tuesday, September 22, at 12 o'clock noon as the hour for sine die adjournment of said Second Called Session.

The resolution was read, and Senator McNealus offered the following amendment:

Add at the end of the resolution the words "and that the hands of the Senate clock be not turned back."

Senator Hudspeth moved that the resolution and amendment lay on the table subject to call.

The motion was lost by the following vote:

Yeas—9.

Bailey of DeWitt.	Henderson.
Bailey of Harris.]	Hudspeth.
Brelsford.]	Terrell.
Carter.	Watson.
Collins.	

Nays—17.

Conner.

Cowell.

Darwin.	McNealus.
Gibson.	Real.
Greer.	Taylor.
Hall.	Townsend.
Harley.	Warren.
Johnson.	Westbrook.
Lattimore.	Wiley.
McGregor.	

Absent. .

Morrow.

Willacy.

Absent—Excused.

Astin.

Nugent.

Clark.

Senator Watson offered the following amendment to the amendment:

Amend the amendment by adding at the end thereof the words "after the hands have once reached 12 o'clock noon."

WATSON.  
HUDSPETH.  
MCGREGOR.

The amendment to the amendment was adopted, and the amendment, as amended, was adopted.

Senator Watson moved that the resolution be referred to the Committee on Rules and the motion was lost.

The resolution, as amended, was then adopted.

HOUSE BILL NO. 4.

The Chair laid before the Senate, as regular order,

H. B. No. 4, A bill to be entitled "An Act to create a State bonded warehouse system and afford a method of co-operative marketing for those engaged in the production of farm and ranch products and for the purpose of effectuating this and creating the office of State Warehouse Commissioner, to be appointed by the Governor, with the advice of the Senate; defining the authority of the Commissioner and giving him powers of visitation over the corporations chartered under this act; as a part of the system authorizing the formation of State bonded warehouse corporations on the mutual plan, to be under the supervision and control of the State Warehouse Commissioner; defining the purpose, power and authority of such corporation and regulating the chartering, managing and business of same; defining and prescribing the receipts to be issued by State bonded warehouse and the rights of the respective parties thereunder, and provid-

ing the law, rules and regulations governing the same; stating the business which may be conducted by State bonded warehouses as incidents of their warehouse and marketing business; declaring gins to be subject to a public use and requiring that all ginners in the State shall after July 31, 1915, obtain a license from the State Warehouse Commissioner and give bond so to do, and prescribing certain rules and regulations relative to the ginning and baling of cotton and sampling the same; authorizing the State Warehouse Commissioner to employ the services of a chief clerk, defining his duties, and also the necessary clerical help, office force and examiners, and creating the office of State warehouse examiners, defining their authority, duties and compensation; prescribing the salary of the State Warehouse Commissioner and his chief clerk; vesting the authority now vested by law in the Commissioner of Insurance and Banking with reference to public warehouses in the State Warehouse Commissioner, and transferring the archives in the office of the Commissioner of Insurance and Banking with reference to warehouse corporations to the office of the State Warehouse Commissioner, but providing that this section does not apply to the law passed by the present session of the Legislature with reference to the establishment of State warehouses as an emergency measure by the Commissioner of Insurance and Banking; creating and defining offenses in violation of the act, and prescribing penalties therefor; making appropriation for carrying the act into effect, and declaring an emergency."

Senator Conner offered the following amendment:

Amend the bill, page 7, line 23, by inserting after the words "costs thereof" the following: "It shall be the duty of each public warehouse company to keep duplicates of said standards as well as the standards of weights and measures at its warehouse subject to inspection and comparison of grades and classifications by persons storing products."

CONNER,  
LATTIMORE,  
GIBSON.

The amendment was adopted by the following vote:

Yeas—26.

Bailey of DeWitt. Brelsford.  
Bailey of Harris. Carter.

Collins.	Lattimore.
Conner.	McGregor.
Cowell.	McNealus.
Darwin.	Real.
Gibson.	Taylor.
Greer.	Terrell.
Hall.	Townsend.
Harley.	Warren.
Henderson.	Watson.
Hudspeth.	Westbrook.
Johnson.	Wiley.

Absent.

Morrow. Willacy.

Absent—Excused.

Astin. Nugent.  
Clark.

Senator Wiley offered the following amendment:

Amend the bill by striking out Sections 5, 6 and 7.

The amendment was read and lost by the following vote:

Yeas—13.

Bailey of DeWitt.	Johnson.
Carter.	McGregor.
Conner.	Real.
Cowell.	Taylor.
Greer.	Townsend.
Hall.	Wiley.
Harley.	

Nays—11.

Bailey of Harris.	Lattimore.
Brelsford.	McNealus.
Darwin.	Warren.
Gibson.	Watson.
Henderson.	Westbrook.
Hudspeth.	

Absent.

Morrow. Willacy.

Absent—Excused.

Nugent.

PAIRED.

Senator Collins (present), who would vote "nay," with Senator Astin (absent), who would vote "yea."

Senator Terrell (present), who would vote "nay," with Senator Clark (absent), who would vote "yea."

The bill was read third time and passed.

Senator Gibson moved to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion to table prevailed.

## SENATE BILL NO. 15.

(By Unanimous Consent.)

The Chair laid before the Senate, on second reading,

S. B. No. 15, A bill to be entitled "An Act to amend Article 5477 of the Revised Civil Statutes of the State of Texas relating to the landlord's lien so as to provide that such lien as to agricultural products, when stored in bonded warehouses regulated and controlled by the laws of the State of Texas, shall continue so long as such products remain in such warehouses, and declaring an emergency."

The committee report was adopted.

Senator Bailey of DeWitt offered the following several amendments, which were read and adopted, being acted on separately:

(1)

Amend the caption of Senate bill No. 15 by inserting after the word "warehouses" in the last line of said caption the words "and thirty days thereafter."

(2)

Amend the bill, by striking out the words "section" where they occur and inserting these words before the enacting clause.

(3)

Amend Senate bill No. 15, by striking out all Section 2 and inserting in lieu thereof the following:

"Sec. 2. The importance of the legislation proposed in this act and the fact that the present session of this Legislature must expire by law within the next few days, rendering it impossible that this bill can be read on three several days in each House, create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each House should be suspended; said rule is so suspended, and this act shall take effect from and after its passage, and it is so enacted."

## RECESS.

Senator Hudspeth, at 12:30 o'clock p. m. moved that the Senate recess until 3 o'clock today.

Senator McNealus moved, as a substitute, that the Senate adjourn until 10 o'clock Monday morning.

The substitute motion was lost by the following vote:

Nays—24.

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	McNealus.
Collins.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Hall.	Watson.
Henderson.	Westbrook.
Hudspeth.	Wiley.

Absent.

Conner.	Morrow.
Harley.	Willacy.

Absent—Excused.

Astin.	Nugent.
Clark.	

The motion to recess until 3 o'clock today was adopted.

## AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.

## SENATE BILL NO. 15.

Action recurred on the pending business, Senate bill No. 15.

Senator Cowell offered the following amendment:

Amend the bill, by striking out the words "and for thirty days thereafter" where they appear immediately after the word "warehouses" in the bill and caption.

COWELL.  
COLLINS.

(Senator Collins in the chair.)

## HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 19, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House does not concur in Senate amendments to House bill No. 4 and requests the appointment of a Conference Committee. The following members on the part of the House have been appointed: Cal-

vin, Penry, Burmeister, Kirby and Burns.

Respectfully,  
W. R. LONG,  
Chief Clerk, House of Representatives.

# HOUSE BILL NO. 4—CONFERENCE COMMITTEE ON.

Senator Watson offered the following motion in writing:

I move that the Senate grant the request of the House for a Conference Committee on House bill No. 4, and that the following be elected on the part of the Senate, to wit: Gibson, Cowell, Hudspeth, Bailey of Harris and Lattimore.

Senator Townsend offered the following substitute for the above motion:

I move that the request of the House as to House bill No. 4 be granted and that the following be named as a Conference Committee to represent the Senate: Gibson, Darwin, Bailey of DeWitt, Wiley and Morrow.

Action recurred on the substitute and the same was adopted by the following vote:

Yeas—14.

Bailey of DeWitt.	McNealus.
Conner.	Morrow.
Darwin.	Real.
Greer.	Taylor.
Hall.	Townsend.
Henderson.	Westbrook.
Johnson.	Wiley.

Nays—9.

Bailey of Harris.	McGregor.
Collins.	Terrell.
Gibson.	Warren.
Hudspeth.	Watson.
Lattimore.	

Present—Not Voting.

Brelsford.	Cowell.
Carter.	

Absent.

Harley.	Willacy.
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Absent—Excused.

Astin.	Nugent.
Clark.	

The motion, as substituted, was then adopted.

# SENATE BILL NO. 15.

Action recurred on the pending busi-

ness, Senate bill No. 15. the question being on the amendment by Senator Cowell and the same was adopted.

The bill having already been read second time, was ordered engrossed.

On motion of Senator Bailey of DeWitt, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—22.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McNealus.
Carter.	Morrow.
Collins.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Henderson.	Watson.
Hudspeth.	Westbrook.
Johnson.	Wiley.

Absent.

Brelsford.	Harley.
Conner.	McGregor.
Hall.	Willacy.

Absent—Excused.

Astin.	Nugent.
Clark.	

The bill was read third time and passed by the following vote:

Yeas—23.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Real.
Collins.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Henderson.	Westbrook.
Hudspeth.	Wiley.
Johnson.	

Absent.

Conner.	McGregor.
Hall.	Willacy.
Harley.	

Absent—Excused.

Astin.	Nugent.
Clark.	

Senator Bailey of DeWitt moved to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion to table prevailed.  
(President Pro Tem. Warren in the chair.)

#### MESSAGES FROM THE GOVERNOR.

The following communications were read, and by direction of the Senate they are herewith printed:

Governor's Office,  
Austin, Texas, September 19, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate, Senate Chamber, Austin, Texas; Hon. Chester H. Terrell, Speaker of the House of Representatives, House of Representatives, Austin, Texas.

Dear Sirs: It has been numerously suggested that the State Legislatures in the cotton growing States ought to enact laws limiting the number of acres of cotton to be planted. Senator Hoke Smith of Georgia, in telegrams to me, suggested this course, and referred me to the acts of the Legislatures of Georgia and Arkansas in 1862. I am not able to put my hands upon the acts of the Legislature of Arkansas for that year, but I am handing you herewith copies of the act passed by the General Assembly of Georgia and approved December 11, 1862.

I do not care to submit this question to the consideration of the Legislature at this time, but I am addressing this communication to you in order that you may have the act of the Georgia General Assembly printed in your Journals for the general information of your members, if you desire to do so.

Yours truly,

O. B. COLQUITT,  
Governor.

Following is the act referred to in the above letter:

An Act to prevent and punish the planting and cultivation, in the State of Georgia, over a certain quantity of land in cotton, during the war with the Abolitionists.

1. Sec. I. The General Assembly of Georgia do enact, That it shall not be lawful for any person or persons, whether residing in this State or not, to plant and cultivate in any county in this State, by themselves, their agents or employees, or allow the same to be done, a greater number of acres of land in cotton than three (3) acres for each hand owned or employed by them be-

tween the ages of fifteen and fifty-five; and when said person or persons may own or employ hands over fifty-five years of age and under sixty-five, or over twelve years of age and under fifteen, two of said hands shall be counted as one hand; and therefore, said person or persons may plant and cultivate three acres of land in cotton, and no more, for every two of said hands so owned or employed by them.

2. Sec. II. That every violator of this law shall be guilty of a misdemeanor, and upon conviction thereof, shall be fined, for every acre so planted more than three to the hand or hands, or six to the two hands or hands, or nine acres to three hands or hands, and so on in proportion to the number of hands employed, the sum of five hundred dollars for each and every acre so planted above the number specified; one-half of which sum shall be, in cases where there is a prosecutor or informer, paid to said prosecutor or informer, and the other half paid to the Inferior Court of the county where the conviction takes place, for the benefit of indigent soldiers' families in said county.

3. Sec. III. That any person or persons who may intend or desire to prosecute any person or persons for the violation of this act, may, upon application to any justice of the Inferior Court of said county, supported by affidavit that he has good reason to believe that said law has been violated, obtain an order requiring the county surveyor, or his lawful deputy, to enter the premises of said person, and make a survey of all the lands so planted and cultivated in cotton; and said person shall pay said surveyor for making said survey, his usual fees, which shall be taxed in the bill of costs on the final adjudication of the same.

4. Sec. IV. That all owners of slaves or employees shall give in, to the tax receiver, the number of hands owned or employed by them, between the ages of twelve and fifteen, and fifteen and fifty-five, and fifty-five and sixty-five, each during said war.

5. Sec. V. That the judges of the Superior Courts be required to give this law specially in charge to the grand juries, at each term of their courts, during said war with the Abolitionists.

Assented to December 11, 1862.

Governor's Office,  
Austin, Texas, September 19, 1914.  
To the Senate:

On the walls of the Senate Chamber



is a painting of Joanna Troutman, the Georgia young lady making the Lone Star Flag of Texas, a splendid piece of art by Miss Marie Cronin of Palestine, Texas. Being a lover of the history of Texas, and desirous of perpetuating the name of those who took an early part in its struggle, I feel a pride in their accomplishments. As the people of the United States revere the name of Betsy Ross, the designer of the American flag, we ought also to appreciate Joanna Troutman. I am trying to raise a fund by public subscription to erect a monument in her honor in the State Cemetery where her remains are now resting.

For four years I served the people of the Ninth Senatorial District in the State Senate, and I am induced by this fact to offer the portrait of Joanna Troutman as a present to the Senate, and will be glad to know if it is acceptable to you.

Respectfully submitted,  
O. B. COLQUITT,  
Governor of Texas.

#### SENATE BILL NO. 10—FREE CONFERENCE ON.

Senator Wiley made the following motion in writing:

I move that the Senate do not concur in the House amendments to S. B. No. 10, and that the House be requested for a Free Conference Committee; that the following Senators be elected as members of the committee on part of the Senate:

Senators Carter, Lattimore, Collins, Brelsford and Hudspeth.

The motion was read and adopted.

#### SIMPLE RESOLUTION.

By Senator Hudspeth:

Whereas, There is hanging on the walls in the Senate Chamber, a portrait of Miss Joanna Troutman, the original designer of the Lone Star flag of Texas, and

Whereas, Governor O. B. Colquitt through his patriotism and untiring efforts has secured a fund for the payment of this portrait and has donated same to the Senate; therefore, be it

Resolved, That the Senate accept the portrait of Miss Troutman, and the thanks of the Senate be extended to Governor Colquitt for honoring the Senate in this matter.

Signed—Hudspeth, Astin, Bailey of

DeWitt, Bailey of Harris, Brelsford, Carter, Clark, Collins, Conner, Cowell, Darwin, Gibson, Greer, Hall, Harley, Henderson, Johnson, Lattimore, McGregor, McNealus, Morrow, Nugent, Real, Taylor, Terrell, Warren, Watson, Westbrook, Wiley, Willacy.

Senator Hudspeth moved that all names of the members of the Senate be signed to the resolution.

The resolution was read and adopted.

#### REFUSED TO ADJOURN.

At 4 o'clock p. m., Senator Townsend moved that the Senate adjourn until 10 o'clock Monday morning, which motion was lost by the following vote:

Yeas—12.

Conner.	Lattimore.
Cowell.	McGregor.
Darwin.	McNealus.
Greer.	Terrell.
Hall.	Townsend.
Johnson.	Wiley.

Nays—13.

Bailey of Harris.	Morrow.
Brelsford.	Real.
Carter.	Taylor.
Collins.	Warren.
Gibson.	Watson.
Henderson.	Westbrook.
Hudspeth.	

Absent.

Bailey of DeWitt. Willacy.  
Harley.

Absent—Excused.

Astin. Nugent.  
Clark.

#### HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 19, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House grants the request of the Senate for a Free Conference Committee on S. B. No. 10.

The following members on the part of the House have been appointed: Cope, Burmeister, Woods of Navarro, Bagby and Tillotson.

Respectfully,

W. R. LONG,  
Chief Clerk, House of Representatives.

HOUSE CONCURRENT RESOLUTION  
NO. 9.

Senator Hudspeth called for consideration of S. B. No. 14, and Senator Lattimore made the point of order that the two House concurrent resolutions on the calendar had precedence over the Senate bill called for in that they were reported out of the committee first.

The Chair sustained the point of order and laid before the Senate, H. C. R. No. 9, A resolution relating to requesting United States Congress for certain legislation, etc.

The committee report was adopted.

## ADJOURNMENT.

Here Senator Johnson moved that the Senate adjourn until 10 o'clock Monday morning, which motion was adopted by the following vote:

Yeas—15.

Conner.	Lattimore.
Cowell.	McGregor.
Darwin.	McNealus.
Gibson.	Morrow.
Greer.	Taylor.
Hall.	Townsend.
Henderson.	Wiley.
Johnson.	

Nays—9.

Bailey of Harris.	Real.
Brelsford.	Warren.
Carter.	Watson.
Collins.	Westbrook.
Hudspeth.	

Absent.

Bailey of DeWitt.	Terrell.
Harley.	Willacy.

Absent—Excused.

Astin.	Nugent.
Clark.	

## TWENTY-THIRD DAY.

Senate Chamber,  
Austin, Texas,

Monday, September 21, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Clark.	Real.
Collins.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hudspeth.	Wiley.
Johnson.	

Absent.

Willacy.

Absent—Excused.

Astin.	Henderson.
Conner.	Nugent.
Hall.	Westbrook.
Harley.	

Prayer by the Chaplain.

Pending the reading of the Journal of Saturday, the same was dispensed with on motion of Senator Carter.

## RESIGNATION OF PAGE.

Austin, Texas, September 21, 1914.

Hon. R. L. Warren, President Pro Tem. Senate.

Sir: I beg to herewith tender by resignation as a page in the Second Called Session of the Thirty-third Senate, and wish to also thank you and other members of the Senate for the uniform courtesies extended me during my brief labors here, and to assure you that my services here will be remembered in the days to come as among the most pleasant duties I have ever performed.

Very respectfully,

HARVEY HENRY.

The above was read and the resignation accepted.

Morning call concluded.

HOUSE CONCURRENT RESOLUTION  
NO. 9.

The Chair laid before the Senate the pending business from Saturday, House Concurrent Resolution No. 9.

Senator Brelsford offered the following amendment:

Amend the resolution by striking out all after the word "concurring" in line 28, page 1, and including the words "before said body," and after the word "Resolved" in line 29, page 1, strike out the word "further," and in line 2, page 2,

strike out "these resolutions" and insert in lieu thereof, "this resolution."

Senator Watson moved to recommit the resolution and amendment to the Committee on Agricultural Affairs, with the request that the committee report by 4 o'clock p. m. today, which motion was adopted.

#### HOUSE CONCURRENT RESOLUTION NO. 5.

The Chair laid before the Senate, as regular order,

H. C. R. No. 5, requesting the Governor to submit subject for legislation for making appropriation for certain deficiencies.

On motion of Senator Carter, the resolution was recommitted to Finance Committee.

#### HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 21, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

H. B. No. 18, A bill to be entitled "An Act to amend Article 5477 of the Revised Civil Statutes of the State of Texas relating to the landlord's lien so as to provide that such lien as to agricultural products, when stored in public or bonded warehouses regulated and controlled by the laws of the State of Texas shall continue so long as such products remain in such warehouses, and declaring an emergency."

Also,

Mr. Woods of Navarro has been excused from service on Free Conference Committee on Senate bill No. 10, and that Mr. Tarver has been appointed instead.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

#### HOUSE BILL NO. 18.

H. B. No. 18 was laid before the Senate, read first time, and referred to Judiciary Committee No. 1.

#### SENATE BILL NO. 14.

The Chair laid before the Senate, on second reading,

S. B. No. 14, A bill to be entitled "An Act to establish 'The Bank of Texas' and defining the purpose and method of its organization, its rights, privileges, duties and liabilities; the object and purpose of the act being to provide a fiscal agency for the State, its counties, municipal corporations and all districts heretofore or hereafter created, with the power to levy and collect taxes and issue bonds or to expend the public funds, to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, find a ready and sufficient market for bonds and other obligations, obtain cash against unmatured and uncollected tax levies, and generally, to furnish an agency of sufficient capital and authority, to maintain the financial affairs of the State and its various governmental agencies in a sound and efficient manner; to furnish a safe and lucrative investment for the permanent school fund of the State with a definite and certain return; to enable the holders of all school warrants drawn against the available school fund, uncollected at the time of their issuance, to obtain cash thereon without discount thereof; to provide a reserve bank in aid of the general banking system of the State; to assist in maintaining the solvency of the banks chartered in the State of Texas and to preserve intact the depositors' guaranty fund; to prevent the sacrifice of a large part of the products of the industry now impending and due to calamities and exigencies of war; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values be maintained; to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued, by the national government or other relief in the issuance of money or currency made by the national government or authorized to be made by it, to preserve the normal business conditions of the State against the present disturbances brought about by the wars on the continent of Europe and to guard against the repetition of like disturbances due to that or any other cause; and generally, to preserve the credit and industrial and financial integrity of the State; setting forth in detail how these purposes and the organization of the bank may be

accomplished; conferring certain authority on the Board of Education as an organization committee of the bank; fixing the capital of the bank and how the same shall be paid in, and from whence derived; prescribing that the capital of the bank shall consist of the face value of the principal of municipal or other bonds now held by the Permanent School Fund of the State of the approximate amount of \$17,800,000 and such additional amounts as may be subscribed and paid in by member banks under the provision of the act; defining the powers and authority of The Bank of Texas; requiring every banking corporation chartered under the laws to become a member of The Bank of Texas within a period of fifteen months and defining the terms under which such corporations may become members; prescribing a Board of Directors for the government and management of The Bank of Texas and defining their authority; defining the rights and privileges of a member bank for The Bank of Texas and authorizing the admission of national banks as members; setting forth in detail the power and authority of The Bank of Texas as a corporation and stating in what business it may engage; providing that The Bank of Texas shall be the fiscal agent of the State and depository of all general and special funds which may under the Constitution be placed in the depository, and defining its privileges and rights and liabilities as such; providing that The Bank of Texas shall be governed by the general banking laws, civil and criminal, of the State except in those portions in conflict with this act; providing when The Bank of Texas shall begin operation, defining the authority of the organization committee, and authorizing the organization committee composed of the Board of Education to organize The Bank of Texas and to incur necessary expense for such purpose, making an appropriation therefor, and declaring an emergency."

The bill was read and Senator Hudspeth offered the following amendment:

Amend the bill by adding at the end of the first paragraph of Section 9, page 7, end of line 11, the following: "Provided that the interest accrued at the time of the transfer and delivery of the bonds aforesaid to said bank, shall be by the bank credited on its books to the available school fund, and when such accrued interest is paid, shall be by the bank paid into the available school fund."

Senator Lattimore moved that further consideration of amendment be postponed until September 22, after the conclusion of the morning call.

On motion of Senator Lattimore the motion to postpone was passed by the following vote:

Yeas—12.

Bailey of Harris.	Johnson.
Brelsford.	McNealus.
Carter.	Real.
Collins.	Taylor.
Cowell.	Terrell.
Hudspeth.	Warren.

Nays—7.

Clark.	Morrow.
Darwin.	Townsend.
Gibson.	Wiley.
Lattimore.	

Present—Not Voting.

Bailey of DeWitt.

Absent.

Conner.	McGregor.
Hall.	Watson.
Harley.	Westbrook.
Henderson.	Willacy.

Absent—Excused.

Astin.

PAIRED.

Senator Greer (present), who would vote "yea," with Senator Nugent (absent), who would vote "nay."

#### FREE CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 12.

Senator Bailey of DeWitt, on part of the Senate Committee, offered the following Free Conference Committee report:

Committee Room,  
Austin, Texas, September 21, 1914.

Hon. Chester H. Terrell, Speaker of the House of Representatives, and Hon. Robert L. Warren, President Pro Tem. of the Senate.

Sirs: We, your Free Conference Committee, to whom was referred Senate bill No. 12, with House amendments thereto, have had the same under consideration at a session of said committee, and beg leave to report it back to the Senate and House with the recommendation that it do not pass, but that the accompanying

Free Conference Committee substitute for said Senate bill No. 12 do pass in lieu thereof.

Respectfully,  
 BAILEY of DeWitt,  
 TERRELL,  
 WILEY,  
 CARTER,  
 COWELL,  
 On part of the Senate.  
 TILLOTSON,  
 SAVAGE,  
 VANNOY,  
 McCROY,  
 FLOURNOY,  
 On part of the House.

Free Conference Committee substitute for Senate bill No. 12:

A bill to be entitled "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank, as well as all banks which do not become members of a Federal reserve bank, and stating how and in what manner and where such reserve shall be maintained; prescribing that State banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State banking corporations which become members of a Federal reserve bank to conform to the Federal law as now or hereafter enacted and all rules and regulations promulgated relative thereto by lawful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State banks becoming members of a Federal reserve bank shall be required to conform to the provisions of law imposed upon national banks respecting limitations of liability and prohibitions

against making purchases of or loans on stocks of such banks, and, to withdrawal or impairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal Reserve Board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions and defining the terms of such discount; prescribing that the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or other liquidating agency appointed; prescribing a limitation on loans which may be made to any individual, corporation, company or firm by a banking corporation chartered under the laws of this State, and providing such limitations shall not apply to any trust company whose demand deposits are not in excess of its interest-bearing deposits; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State; prescribing the amount of indebtedness which may be created by a banking corporation chartered under the laws of this State, and declaring an emergency."

Be it enacted by the Legislature of the State of Texas:

Section 1. All banks or bank and trust companies incorporated under the laws of Texas shall have authority to become members of Federal reserve banks under such terms and limitations as may be prescribed by the laws of the United States and such rules and regulations relative thereto as may be promulgated by lawful authority.

Sec. 2. Demand deposits within the meaning of this act shall comprise all deposits payable within thirty days, and time deposits shall comprise all deposits payable after thirty days and all savings accounts and certificates of deposit which are subject to not less than thirty days' notice before payment.

Sec. 3. Every banking corporation chartered under the laws of this State

with a capital stock of less than twenty-five thousand (\$25,000) dollars, and which does not become a member of a Federal reserve bank under the laws of the United States shall at all times have an amount of cash on hand and cash due from other banks equal to at least 20 per cent of the aggregate amount of its demand deposits, eight-twentieths of which said reserve shall be actual cash in the bank; and all banks, not located in a central reserve city, having a capital stock of twenty-five thousand (\$25,000) dollars or more, and which do not become members of a Federal reserve bank under the laws of the United States shall at all times have an amount of cash on hand and cash due from other banks, equal to at least 15 per cent of the aggregate amount of its demand deposits, six-fifteenths of which shall be actual cash in the bank. Whenever the reserve of any bank as hereinbefore required shall fall below the amount specified above for its class, then such bank shall not make any new loans or discounts until it shall by collection restore its lawful reserve. Twelve-twentieths of the reserve fund, or any part thereof, of a bank with a capital stock of less than \$25,000 or nine-fifteenths of the reserve fund or any part thereof, of a bank with a capital stock of \$25,000 or more, together with the current receipts may be kept on hand or on deposit payable on demand in any bank or banking association of the State of Texas, or any bank, banking association or trust company regularly chartered and operating under the laws of any State or under the laws of the United States, approved by the Commissioner of Insurance and Banking, and having a paid up capital stock of \$50,000 or more; but the deposit in any one bank or trust company shall not exceed 20 per cent of the total deposits, capital and surplus of the bank making the deposit.

Sec. 4. All banks and banking corporations chartered by the laws of this State which become members of a Federal reserve bank under the Federal Reserve Act, shall as to their reserves be governed as follows:

(a) A bank not in a reserve or central reserve city as now or hereafter defined by the laws of the United States or designated by the Comptroller of the Currency of the United States, shall hold and maintain reserves equal to 12 per centum of the aggregate amount of its demand deposits and 5 per centum of its time deposits, as follows:

In its vaults for a period of thirty-six months after the Secretary of the Treasury of the United States has officially announced the establishment of a Federal reserve bank in the district of which is located the subscribing member bank, five-twelfths thereof and permanently thereafter four-twelfths.

In the Federal reserve bank of its district for a period of twelve months after said date, two-twelfths, and for each succeeding six months an additional one-twelfth until five-twelfths have been so deposited, which shall be the amount permanently required.

For a period of thirty-six months after said date the balance of the reserve may be held in its own vaults or in the Federal reserve bank, or in national banks in reserve or central reserve cities as now defined by the laws of the United States.

After said thirty-six months' period said reserve other than those hereinbefore required to be held in the vaults of the member bank and in the Federal reserve bank, shall be held in the vaults of the member bank or in the Federal reserve bank, or in both, at the option of the member bank.

(b) A bank in a reserve city, as now or hereafter defined by the laws of the United States or designated by the Comptroller of the Currency, shall hold and maintain reserves equal to 15 per centum of the aggregate amount of its demand deposits, and 5 per centum of its time deposits, as follows:

In its vaults for a period of thirty-six months after the date of the establishment of the Federal reserve bank of which any bank chartered under the laws of this State may become a member, six-fifteenths thereof, and permanently thereafter five-fifteenths.

In the Federal reserve bank of its district for a period of twelve months after the date aforesaid at least three-fifteenths, and for each succeeding six months an additional one-fifteenth, until six-fifteenths have been so deposited, which shall be the amount permanently required.

For a period of thirty-six months after said date the balance of the reserve may be held in its own vaults, or in the Federal reserve bank, or in national banks in reserve or central reserve cities as now defined by law.

After said thirty-six months' period all of said reserves, except those hereinbefore required to be held permanently in the vaults of the member bank and in the Federal reserve bank shall be

held in its vaults or in the Federal reserve bank, or in both, at the option of the member bank.

(c) Provided, however, that notwithstanding the limitations in paragraphs (a) and (b) of this section State banks becoming members of a Federal reserve bank shall have all the rights permitted them under the Federal Reserve Act, as to reserve deposits with State banks and trust companies; provided, further, that State banks becoming members of a Federal reserve bank shall have authority to conform to the Federal Reserve Law now, or as hereafter enacted, and all rules and regulations promulgated relative thereto by lawful authority; and shall likewise be subject to all limitations of law and of such rules and regulations now or hereafter enacted or promulgated.

(d) The kind and character of money which may be held as reserve by banking corporations incorporated under the laws of this State and which become members of a Federal reserve bank shall be the same as that required of national banks under the laws of the United States.

Sec. 5. A State bank becoming a member of a Federal reserve bank shall in addition be required to conform to the provisions of law imposed upon national banks respecting the limitations of liability which may be incurred by any person, firm or corporation to such banks, the prohibition against making purchases of or loans on stock of such banks, and the withdrawal or impairment of capital, the payment of unearned dividends, and of such rules and regulations as the Federal Reserve Board may, in pursuance of the Federal Reserve Act, prescribe.

Sec. 6. It shall be unlawful for any bank to hypothecate or pledge as collateral security for money borrowed upon bills payable, certificates of deposit or otherwise, its securities to an amount greater than 50 per centum in excess of the amount borrowed thereon, or for any banking corporation to issue and execute any notes, bills or other evidences of indebtedness secured, or to be secured by the pledge or hypothecation of any of its securities, which shall not contain a provision that in the event such banking corporation shall, for any cause, have its property and business taken possession of by the Commissioner, at any time, before such pledge or hypothecation shall have been actually foreclosed, a grace of thirty days after date of such taking possession shall be

allowed in which such bank or the Commissioner shall be permitted to redeem such securities so hypothecated or pledged by the payment of the amount due as principal and interest on such indebtedness; provided, however, that banking corporations, incorporated under the laws of this State, upon becoming members of a Federal reserve bank, shall not be required to insert the thirty days' grace clause in their notes, bills or certificates of deposit made to a Federal reserve bank, should a Federal reserve bank decline to permit the insertion of such thirty days' grace clause in a note, bill or certificate of deposit accepted by it from such member bank; and, provided further, that collateral to a greater extent than 50 per centum in excess of the amount borrowed thereon may be hypothecated or pledged to secure money borrowed from a Federal reserve bank, should it so require.

Should the securities of any State banking corporation be hypothecated or pledged to an amount in excess of 50 per cent greater than the amount borrowed thereon, it shall be the duty of the officers of such bank to immediately notify the Commissioner, giving amount of money borrowed, and amount of securities hypothecated or pledged to secure same.

A State bank becoming a member of a Federal reserve bank shall have the right to discount to a Federal reserve bank notes, drafts and bills of exchange arising out of actual commercial transactions and to endorse the same with a waiver of demand, notice and protest and to do any other thing necessary under the Federal Reserve Act or rules and regulations relative thereto promulgated by lawful authority, in order to obtain all the benefits and privileges of membership in a Federal reserve bank.

The lien and rights obtained by a Federal reserve bank upon the discount of it of any such notes, drafts and bills of exchange shall be a first and preference lien thereon.

Sec. 7. If any State bank which is a member of a Federal reserve bank shall be declared insolvent and a receiver appointed therefor or other agency for the liquidation of its affairs and the payment of its debts, the stock held by it in the said Federal reserve bank may be canceled without impairment of its liability and all cash paid subscriptions on said stock with one-half of one per cent per month from the period of last dividend, not to exceed the book value

thereof, may be first applied to all the debts of said insolvent member bank to the Federal reserve bank, and the balance, if any, paid to the receiver of the insolvent bank or other agency for its liquidation, as provided for in Section 6 of the Federal Reserve Act.

Sec. 8. No incorporated bank nor trust company chartered under the laws of this State, and having a capital stock of twenty-five thousand (\$25,000) dollars, or more, shall loan its money to any individual, corporation, company or firm, or permit any individual, corporation, company or firm to become at any time indebted or liable to it in a sum exceeding ten per cent of its capital stock actually paid in, or permit a line of loans or credits to any greater amount to any individual, corporation, company or firm; and no incorporated bank nor trust company having a capital stock of less than twenty-five thousand (\$25,000) dollars, chartered under the laws of this State, shall loan its money to any individual, corporation, company or firm, or permit any individual, corporation, company or firm, to become at any time indebted or liable to it in a sum exceeding twenty per cent of its capital stock actually paid in, or permit a line of loans or credits to any greater amount to any individual, corporation, company or firm; all loans to the members of any unincorporated company or firm shall be considered as if they were loans to such company or firm in determining the limitation here prescribed; a permanent surplus, the setting apart of which shall have been certified to the Commissioner of Insurance and Banking, and which can not be diverted without due notice to said officer, may be taken and considered as a part of the capital stock for the purposes of this section; provided, however, that in no event shall any such loan exceed thirty per cent of the authorized capital stock of said bank; provided further, that existing loans shall not be affected by the provisions of this section, nor shall the reasonable renewal of any existing loan, made in good faith, and having a maturity date not later than January 1, 1917, be considered a violation of this section. The limitation prescribed in this section shall not apply to trust companies which do not become members of the Federal reserve bank, and whose demand deposits are not in excess of its interest-bearing deposits; and provided, that the provisions of this section shall not be construed as in anywise to interfere with the rules and regulations of any clearing house association in this State in

reference to the daily balances between banks; provided that this section shall not apply to balances due from correspondents subject to drafts; and provided further, that the discount of the following classes of paper shall not be considered as money borrowed within the meaning of this section, viz.:

(a) The discount of bills of exchange, drawn in good faith, against actual existing values.

(b) The discount of paper upon the collateral security of warehouse receipts, covering agricultural and manufactured products in store in elevators and warehouses, under the following conditions: First, that the actual market value of the property held in store and covered by such receipts shall, at all times, exceed by at least twenty-five per cent the amount loaned upon the same; second, that the full amount of such loans shall, at all times, be covered by policies of fire insurance issued by companies admitted to do business in this State, to the extent of their ability to cover such loans; and all such policies shall be made payable in case of loss to the bank or holder of the warehouse receipts. Any State banking corporation may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation and exportation of goods having not more than six months sight to run; but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up capital stock and surplus.

Sec. 9. It shall be the duty of the Commissioner of Insurance and Banking, at least once in each six months of each calendar year, to cause each banking corporation incorporated under the laws of this State, to be thoroughly and fully examined; provided, however, that as to such banking corporations as shall become members of a Federal reserve bank, should the Federal Reserve board or the Comptroller of the Currency insist upon making examinations of such banking corporations by national bank examiners, then the Commissioner of Insurance and Banking shall be required to make or cause to be made but two regular examinations of such banking corporations during any one year; provided further, that the Commissioner shall have the power to make special examinations of any State banking corporation at any time in his discretion.

The Commissioner of Insurance and Banking, or any State bank examiner, at his direction, shall be authorized at any time to forward to the Comptroller



of the Currency, or the Federal Reserve Board, copies, or certified copies of a State bank examiner's report of any regular or special examination made of any banking corporation which has or shall become a member of a Federal reserve bank.

The provisions of this section shall be cumulative of any other laws now upon the statute books of this State in respect to this subject.

Sec. 10. No banking corporation incorporated under the laws of this State shall at any time be indebted or in any way liable to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

(a) Money deposited with or collected by it and the discount of commercial or business paper actually owned by the person negotiating the same shall not be considered as borrowed money.

(b) Bills of exchange or drafts drawn against money actually on deposit to the credit of the corporation or due thereto.

(c) Liabilities to the stockholders of the association for dividends and reserve profits.

(d) Liabilities incurred under the provisions of the Federal Reserve Act.

(e) This section shall not apply to any guaranty executed by any trust company whose demand deposits are not in excess of its interest-bearing deposits, provided such trust company is not a member of a Federal reserve bank.

Sec. 11. Any bank incorporated under the laws of this State which becomes a member of a Federal reserve bank shall have authority to conform to the Federal Reserve Act as the same now exists, or as it may hereafter be amended, and such rules and regulations as the Federal Reserve Board may prescribe in order to entitle it to membership in a Federal reserve bank.

Sec. 12. The importance of the legislation proposed in this act and the necessity of conforming the laws of this State to the laws of the United States in order to provide sufficient currency to relieve the financial situation obtaining in this State, as well as in the country generally, create an emergency and an imperative public necessity requiring that the constitutional rule providing that bills shall be read on three several days in each house shall be suspended, and said rule is so sus-

pended, and this act shall take effect from and after its passage, and it is so enacted.

The report was read and adopted by the following vote:

Yeas—22.

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McNealus.
Carter.	Morrow.
Clark.	Real.
Collins.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hudspeth.	Wiley.

Absent.

Conner.	McGregor.
Hall.	Nugent.
Harley.	Westbrook.
Henderson.	Willacy.

Absent—Excused.

Astin.

Senator Bailey of DeWitt moved to reconsider the vote by which the report was adopted and table that motion. The motion to table prevailed.

EXCUSED.

On account of important business: Senator Henderson, for today and tomorrow, on motion of Senator Cowell. Senator Harley, for today, on motion of Senator Carter.

Senator Hall, for today, on motion of Senator Bailey of DeWitt.

Senator Westbrook, for today and tomorrow, on motion of Senator Collins.

Senator Conner for today, on motion of Senator Hudspeth.

RECESS.

Senator Morrow, at 11:05 o'clock a. m., moved that the Senate recess until 2 o'clock today.

Senator Clark moved, as a substitute, that the Senate recess until 2:30 o'clock p. m. today.

Senator Lattimore moved, as a substitute for both motions, that the Senate recess until 3 o'clock p. m. today.

Action occurred on the longest time first and the motion to recess until 3 o'clock today was adopted by the following vote:

## Yeas—11.

Bailey of Harris.	McNealus.
Brelsford.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Wiley.
Lattimore.	

## Nays—10.

Carter.	Johnson.
Clark.	Morrow.
Collins.	Real.
Cowell.	Warren.
Hudspeth.	Watson.

## Absent.

Bailey of DeWitt. Willacy.  
McGregor.

## Absent—Excused.

Astin.	Henderson.
Conner.	Nugent.
Hall.	Westbrook.
Harley.	

## AFTER RECESS.

## (Afternoon Session.)

The Senate was called to order by  
President Pro Tem. Warren:

## MESSAGE FROM THE GOVERNOR.

## Governor's Office,

Austin, Texas, September 21, 1914.

## To the Senate:

I ask the advice and consent of the Senate to the appointment of the following persons to be notaries public:

Cooke County—A. J. Welch, R. L. Midkiff, D. S. Gray, D. L. Neal, E. G. Kerr, John C. Wright, F. A. Keiser, O. L. Rash, J. L. Gettys, W. Walker, E. M. Vanderslice, G. O. Craven, Jno. W. Culp, S. A. Greever.

Coleman County—Annie T. Edwards.

Dallas County—R. B. Pyron, J. S. Farrington, John C. Jester, John T. Spann.

Deaf Smith County—J. E. Garrison.

Dickens County—E. J. Cowan.

Ellis County—Walter S. Jones, Earl A. Brown, I. N. Curry, Larry Mills, F. V. Lowry, Estella Bander.

Grayson County—J. Q. Adamson, Jas. R. Lanus, G. S. Murphy, Laura L.

Chapman, W. J. Minton, F. G. Thompson, J. W. Jones, Boyd Phillips, W. A. Provine, M. T. Brigham, Henry Etter, Edgel P. Jackson, Hubert Bookout, L. W. Mills, Rev. Robt. Drennon, C. F. Douglass, H. E. Hall, Mita Gordon, H. McGough, J. W. Fawcett.

Hill County—E. A. Adams, J. B. Burns, C. W. Bryan, R. M. Vaughan, R. H. Sayers, Wright W. Morrow, Files Edington, Ed Graham, Paul I. Gaines, R. S. Robertson, Herman Eastland, Jr.

Harris County—P. G. Houchins.

Jefferson County—H. P. Jirou.

Jones County—T. J. Sanders.

Lamar County—Mrs. J. W. Wilson.

Lee County—John Proske.

Parker County—B. F. Browder.

Smith County—James T. Kay, A. S. Johnson.

Stonewall County—Carl Wilson.

Brazoria County—C. W. Field, P. A. Drouilhit.

Galveston County—L. Sinsheimer.

Tarrant County—S. F. Houtchans, J. M. Provine, A. L. Suggs.

Travis County—L. V. Houston.

Van Zandt County—E. L. Shirley.

Wichita County—John W. Thomas, Jack C. Barnard, G. C. Hursch, T. F. Hunter, P. E. Kerr, L. M. Monroe.

Wood County—R. E. Morris, Floyd Harry.

El Paso County—Geo. B. Westlake, Joel D. Hubbard, Chas. Madrid, Hubbard Nye, Cora A. Kennedy, Mrs. M. W. Baker, L. R. Healy, M. R. Hamley.

Val Verde County—W. F. Easterling.

Tom Green County—C. E. Springtun.

Respectfully,

O. B. COLQUITT,

Governor of Texas.

## EXECUTIVE SESSION.

The hour, 3 o'clock p. m., the time for the Senate to hold executive session to consider the appointment of notaries public, having arrived, the Chair so announced. The Chamber was ordered cleared of all who were not entitled to remain.

In executive session the following confirmations were made, as reported to the Journal Clerk by the Secretary. The "message from the Governor," just preceding the executive session, contains names of the appointment of notaries public, which were included in the confirmations.

Atascosa County—J. D. Peeler, Carl Hollingsworth, John E. Walton.

Bastrop County—Maude Jenkins.

Bell County—P. H. Dougherty, A. D. Hanna, R. H. Patterson, W. R. Butler, Jr., Lewis H. Jones, B. B. Chappell, T. G. Harkey, E. M. Dodd, W. B. Boyd.

Bexar County—M. E. Perez, S. T. Bryant, A. G. Zagorski, Eugene A. Dolle, S. B. Sloan, W. F. McKinney, C. L. Sedgwick, M. O. Stevens, R. E. Hannay, Jr., N. C. Rigg, A. August, E. E. Clancy, E. E. Krueger, John H. Bickett, Jr., E. B. Bowman, James F. Boyls, Mrs. Jo. Aldrich, Frank Webb, Chas. E. Baughman, Frank V. Cummins, Tom P. Harte, Russell B. Wine, O. H. McCurdy, John Laird, A. J. Beall, T. M. McCarthy, George Schwab, Lawrence B. Brady, T. S. Whitfield, Leroy H. Reese, John A. Fournier, Dan Lewis, Virginia Parkinson, A. C. Toudouze, Willis M. Howard, J. J. Singleton, G. Harry Hartwell, B. F. Inman, J. F. Van Duzor, Joe Karotkin, Bryan Callaghan, E. A. Cater, Thurman Barrett, Leroy G. Denman, Jr., Mrs. T. A. Barrack, Frank P. Carle, G. W. Williams, Jose F. Solsong (or Lolsong), J. Herbert Peairs, George L. Porter, B. M. Siddall, R. S. Harris, Arthur B. Beynon, Wm. C. Church, D. W. DeNeene, J. Guy Reed, L. Cohn, T. G. Jackson, Mrs. Bennie B. Stine, Miss K. A. Roberts, Miss Lela Ileen Garry, F. Torres Maldonado.

Bowie County—W. B. McIntyre, P. L. Swatzell, E. D. Trigg, C. M. Henry, L. H. Henry.

Brazoria County—O. T. Triece, L. E. Smith, Tracy T. Word, C. W. Field.

Brazos County—Robert F. Higgins, W. W. Meachum.

Brown County—Albert R. Moore, A. E. Wilson.

Burleson County—T. F. Gilly, D. E. Reeves.

Burnet County—W. L. Escaville, E. M. Dodson.

Caldwell County—E. R. Yellott, Nye H. Clark, A. F. Garbrecht.

Calhoun County—Carey Legett, J. W. Sutton, W. A. Todd.

Callahan County—C. Nixon, Frank Wylie Austin, Everett D. Driskill.

Cameron County—George R. Whitley. Camp County—O. A. Arnold, W. A. Kennedy.

Cass County—D. B. Tomberlain, A. C. Oliver.

Childress County—W. A. McLeod, E. E. Crews, H. A. Schluter.

Coke County—J. T. Daniel, W. V. Greenland.

Coleman County—W. H. Williams, W.

H. Garrett, Len Evans, R. W. Carson, Matt Martin, E. D. Stephens, Frank H. Weaver, Nancy Carter.

Collin County—Mort W. Muse, A. H. Eubanks, M. Button, A. J. Wagner, E. A. Coker, Etta Quisenberry, James Garland, Wm. L. Brown, R. E. L. Miller, R. H. Crawford, V. B. Slaughter, Henry H. Bass, L. L. Miller, Lewis Combest, Arthur Truett, J. L. Wilson, M. H. Wilson, J. W. Sellers, Chas. Wright, A. M. Wolford, Chas. B. Stevens.

Collingsworth County—W. A. Walker, T. N. Childress, E. Hugh Sherwood, Lenore Sherwood.

Colorado County—H. J. Gifford.

Comanche County—D. M. Campbell.

Concho County—Anna Mae Carter.

Cooke County—John W. Culp, W. Walker, E. M. Vanderslice, G. O. Craven, S. A. Greever, D. L. Neal, Jno. C. Wright, E. G. Kerr, D. S. Gray, R. L. Midkiff, A. J. Welch, F. A. Kieser, J. L. Gettys.

Corvell County—W. A. Waldropp, C. C. Sadler, W. J. Dube.

Dallas County—Charles C. Huff, A. H. Winkler, James Jackson, R. N. Beavers, S. P. Andrews, Isabel Hurley, George J. McManus, J. H. Bryan, C. E. Richardson, Minnie Pollock, D. M. Cameron, Sam M. Wood, W. B. Hamilton, J. E. Grant, B. H. Fly, Oscar G. Feltner, C. A. Harris, H. S. Widney, Jno. L. Dodson, W. F. Feffries, E. N. Daniel, Miss C. L. Odette, Mrs. Lillian B. Aveille, D. D. Bird, H. C. Bishop, J. D. Harman, S. M. Hilligoss, G. A. Brewer, J. E. Casper, Miss Maxie Purvis, P. H. Kveton, E. L. Certain, E. F. Ballard, J. B. Chastain, C. L. Nance, R. F. Henderson, Joe T. Dewberry, Sadye R. Jacobs, E. E. Clack, Frank Smith, F. C. Sergeant, Mrs. Emmie Felder, Mrs. Lola Martin, Anna B. Payne, C. A. Bryant, Jr., W. F. Jeffries, R. A. McBean, John R. Banister, Jr., S. A. McIlhenny, Donald O'Neil.

Deaf Smith County—G. W. Barcus.

Delta County—R. D. Sterne.

Denton County—Alvin M. Ousley, S. H. Hoskins, H. R. Wilson.

Donley County—O. C. Brown.

Eastland County—John T. Cook, J. B. McEntire, C. E. Scott, W. M. Long. Edwards County—Ross Powers.

Ellis County—B. McGee, F. L. Sample, Robert L. Sullivan, Estelle Boudier, Walter S. Jones.

El Paso County—L. L. McFall, Colbert Caldwell, Miss Rikka Peterson, A. G. Rintleman, John T. Cain, A. W. Norcop, Miss N. A. Bray, F. S. Cundiff, James L. Wohlford, I. H. Ferguson,

Robt. F. Hutchinson, Hoke McAshan, J. Curtis Jones, Kathryn B. Draper, J. E. Quaid, Claude Anderson, J. M. Morrison, Harry Pateman, Gladys Sineond, G. G. Shannon, Thornton Hardie, E. B. Guinn, Hon. Rufus B. Daniel, J. F. Mariner, P. C. Marks, J. W. Harley, Chas. B. Gaal, Miss Jessie Chaptin.

Erath County—J. E. Hickman, Volley R. Martin, J. G. Beall, J. W. Glenn.

Falls County—Homer O. Jennings, Chas. Marstrand, Jr., Chas. L. Tate, John L. Davis, Mary Towers.

Fannin County—Tom M. Barnes, Mrs. Martha K. Arterberry, H. E. Fuller, J. R. McFarland, Mary E. Caruthers, R. E. Comphill.

Fayette County—F. A. Nesrsta, Harvey R. Clark.

Fort Bend County—Jessie D. Florea.

Franklin County—Annie Leftwich, Jessie Cowan.

Freestone County—James R. Sessions, J. Wed Davis, Geo. F. Dodgen, L. A. Dunnagen, J. F. Williamson, E. M. Elmore, C. A. Wherry, W. M. Sims.

Frio County—C. J. Harington.

Gaines County—N. R. Morgan, M. C. Curry.

Galveston County—A. J. Crotty, R. C. Villeneuve, Eugene A. Wilson, Chas. P. McGill, Bettie E. Norton, Baldwin Tucker, S. Seinsheimer, T. L. Cross, P. A. Draulihet, Frank S. Anderson, Ora Oslin, H. B. Link, John Day, Thomas B. Scott, Dan Johnson, Barrett Gibson, W. E. Price, Joe H. Roberts.

Goliad County—J. Heath Ewell.

Gonzales County—J. C. Wilson.

Gray County—Clay E. Thompson, A. G. Richardson, W. H. Holt.

Grayson County—H. E. Hall, Mite Gordon, H. McGough, J. W. Fawcett, J. Q. Adamson, G. S. Murphy, W. J. Minton, F. G. Thompson, J. W. Jones, Hubert Bookout, James R. Lanius, Boyd Phillips, W. A. Provine, M. T. Brigham, Henry Etter, Laura L. Chapman, Rev. Robt. Drennon, C. F. Douglas.

Gregg County—T. B. Stinchcomb, G. C. Finch.

Grimes County—R. P. Hill, G. T. Davis, F. M. Davis.

Guadalupe County—Elbert Schweppe, J. M. Woods, Alfred Hartman, W. J. Schneider, E. L. Bolton.

Hall County—Claude Brantley, W. T. Barton.

Hamilton County—S. R. Allen, B. Snell, W. L. Gupton, W. W. Sidons.

Hardin County—R. L. Martin, Harold D. Matheson.

Harris County—Luther A. Willbanks,

W. B. Ware, Anna T. Dyer, Chas. R. Miller, J. T. Qualtrough, W. R. Goss, Jr., H. J. Nichols, B. A. Tolbert.

Harrison County—Chas. S. Blalock, Kent B. Allen, W. G. Rudd, Joe Brown, Sam B. Hall Michael Harold, J. A. Lea, W. B. Lea.

Hays County—W. A. Wroe.

Henderson County—Eustace Townley, Guy E. Wallace, T. M. Matthews.

Hill County—E. L. McComas.

Hood County—W. T. Hightower, R. S. Landers, M. F. Cornelius, Roy H. Hightower, J. J. Blizman, W. M. Waltrip.

Hopkins County—O. F. Smith, Claude M. Smith.

Howard County—Wauldyne Maxwell.

Hunt County—J. W. Long, W. F. Tiner, M. Smith, R. M. Miller, E. H. Watson, W. G. Crow, C. W. Armstrong, Benj. J. Williams, Marvin Heinatz, Richard T. Porter, Jr., Wm. E. Sayle, J. A. Waller, B. C. Westbrook.

Jackson County—W. D. Hutchins, Ernest M. Smith.

Jasper County—J. W. Beeler.

Jeff Davis County—J. R. Hill.

Jefferson County—Miss Elsa Mitten-dorf, Chas. R. Reynolds, L. Stanley, J. M. Holder, Kyle Ward, O. H. Pennock, Jr., O. H. Pennock, Sr., C. W. Duperier, Fred R. Blanchette, Leo H. Mothner, R. R. Ray, Morri M. Mothner, S. M. Johnson, Chas. D. Smith, N. T. Garrity, B. Boykin, Sr., W. B. Sapon, J. H. Harlan, C. T. Bunch, Miss Ruth Butler, R. E. Masterson, H. H. Silber, C. A. Richardson, Miss Mary Scott, A. J. Montague, L. M. Lack, W. G. Boles, W. M. Crook, C. A. Lord, I. W. Lawhon, L. E. Ney, L. C. Singleton, J. L. Cunningham, E. P. Bennett, H. W. Gardner, J. J. Solinsky, F. E. Sager, G. O. McFarland, Dr. F. W. Hander, Chas. B. Sheeks, Sam W. Weatherall, Joe S. Park, L. E. Stout, Otto Steffenhagen, E. H. Daniel, E. Cockerell, Chas. H. Stroeck, C. R. Jackson, H. L. Holman.

Jim Wells County—R. R. Mullen.

Johnson County—Miss Maude Hinson.

Jones County—J. A. Sparks.

Karnes County—Eugene Whitley, B. McGoldrich.

Kaufman County—Jerry O. Rutledge, W. A. Brumbaugh.

Kent County—M. S. Sandell.

Kerr County—J. R. Mayhugh.

Kinney County—Earnest A. Jones.

Knox County—A. G. Hall.

Lampasas County—L. R. Sparks.

Lamar County—Geo. P. Blackburn,

O. S. Perfect, Jas. L. Bailey, N. G. Osborn, Miss Willie Stone, J. W. Phil-

lips, A. M. Jones, C. B. Webb, Ben H. Sharp, J. A. Martin, J. W. Onnby, B. B. Sturgeon, Joe Hill, Jr., N. R. Troy, Phil E. Baer, Mrs. Hattie Stallings, F. W. Hooper, T. E. Lemoir, J. W. House, A. M. Lewis, Tom Jeffus, J. C. Hathaway, W. D. Saffell, P. W. Coffey, Max Chapman, Harry M. Gosson, K. B. Polk, S. A. Martin, S. M. Holt, Nora West.

La Salle County—Jim Carr, S. A. James.

Lavaca County—A. D. Stanley, H. M. Tippet.

Lee County—John H. Jenkins.

Liberty County—A. I. Moore.

Limestone County—M. E. Durham, E. T. Kimble.

Lipscomb County—Geo. W. Long, B. E. Shutterly.

Live Oak County—R. H. Weatherly.

Lubbock County—F. M. Maddox, Percy Spencer.

Marion County—Miss Alice Ford, E. B. Lewis.

Martin County—S. W. Pratt, H. L. Winchell, Ray Bachman.

Matagorda County—G. W. Theus, Mrs. Lettie Lewis Himel.

McLennan County—Chas. E. Witt, Chas. B. Braun, Nolalee C. Wood, J. T. Smith, Tom Bryant, N. E. Skinner, W. A. Little, N. L. Warren, A. C. Upleger, C. E. Pollard, C. A. Sherman, E. E. Ingraham, Howard D. McElroy, H. O. Dabney, Mrs. Patsy Winfrey, Harris Melasky, W. C. Zahm, C. A. Colson, W. O. Van Wick, Mattie Dabbs, C. C. Lewis, F. H. G. Little, Albert Harris.

McMullen County—E. C. Hersman, H. D. Crosby.

Menard County—M. W. Shelley.

Milam County—Clyde Thacker, Miss Viola Meyers, I. M. Rude.

Mills County—W. W. Tippen.

Mitchell County—C. G. Hough.

Montague County—D. T. Herring, T. J. Precise, J. F. Freeman, Herbert S. Calaway, A. F. Tinney, F. H. Hemphill, C. A. Sumner.

Morris County—Geo. E. Shive.

Nacogdoches County—Marion Castleberry, J. W. Baker.

Navarro County—B. F. Brooks, G. W. Carr, Miss F. Shirley, Leonard Gordon, Miss Margie Hyndman.

Nueces County—Thos. M. Colston, S. T. Bryant, H. L. O'Neal, R. A. Shostag.

Ochiltree County—Jas. D. Wyman.

Orange County—E. A. Cheatham, W. B. Simmons, Jr.

Palo Pinto County—A. N. Hewitt, E. B. Ritchie.

Panola County—P. W. Pittman.

Parker County—H. F. Grindstaff, Mar-

vin Robertson, E. F. Browder, J. H. Boone, W. F. Hutcheson, E. H. Grindstaff, J. E. Carter.

Pecos County—Jonas Rienertson, F. S. Stubblefield, I. T. Pryor, Jr., E. P. Ramsey, Miss Lena Oswald, Geo. C. Haseltine, H. H. Kinnard, S. H. Murray.

Potter County—Clement H. Yost, W. M. Jeter.

Presidio County—J. H. Fortner, Miss Emma Everitt, Miss Blanche Avant, Miss Jessie W. Woodward, H. L. Kelly, G. W. Collie, Hans Briam, J. W. Riordan.

Randall County—Grady Oldham.

Red River County—John Derryberry, Chas. M. Murrie, W. O. Diffie, O. C. Lawson, A. B. Ausmus.

Reeves County—Sam Swafford, Lewis E. Alexander, D. P. Kiser, Blanche Kiser.

Roberts County—H. J. Newman.

Robertson County—B. E. Satterfield, W. C. Crane, Miss Z. McKee, K. W. Gilmore.

Rockwall County—W. F. Reeves.

Runnels County—W. J. Case, Sam Baker, E. P. Scarbrough, R. R. Cogdell.

Rusk County—Jno. C. Gray, R. B. Weatherall, J. W. Elliott.

Sabine County—J. C. Berryman.

San Patricio County—Roy Duphone, J. C. Houts.

San Saba County—R. L. Seider.

Scurry County—E. C. Adams.

Shelby County—J. T. Norris, B. W. Burns.

Stephens County—R. M. White.

Smith County—A. P. Wilkinson, A. G. St. John, W. M. Black, W. A. Matkin, R. B. Starr, J. O. Hughes, Robt. G. Storey, W. E. Wilson, Pearl Yost, W. G. Kilfoyle, D. C. Dickinson, A. S. Butler.

Tarrant County—A. J. Wilson, M. D. Priest, H. B. Gately, Ruby Pyron, John H. Eaton, S. F. Houtchaus, J. F. Prosser, Edward David True, B. A. Denny, J. S. Matthias, P. V. Montgomery, Miss Essie Bardwell, D. D. Brown, J. E. Williams, L. A. McCasland, J. A. Graves, Miss Meta Duvall, T. H. Andrews, W. H. Land, A. C. Jones, E. B. Cheatham, Geo. S. Adams, Carl W. Wade, Richard R. Fleming, G. W. Wharton, Clyde H. Milliken, A. J. Lee, E. A. Turner, H. C. Ray, James McNamara, James H. Green, J. Wallace Buchanan, Miss Adella Mueller, Miss Gussie C. Maines, L. Berry, Mrs. Bertie Myrick, Paul B. Sturgis, Will C. Austin, E. D. Rutledge, Frances Pickens, W. D. Littler, Kate Harrison, D. L. Irwin, Robt. F. Peden, R. A. Stuart, Stella Wiggs, J. R. Black, Francis M. Smith, J. M. Provine, A. E. Lyerly, Harry C. Gerlach, G. S. Williams, G. E. Blewett, E. C. Buckalew,

Leon B. Frank, S. B. Cantey, Jr., W. S. Daniel, Nannie Bennett, L. R. Secreest, A. L. Sugs, W. J. Gilvin, Nannie Smith, H. C. Ray, Hazel Brightwell, Lionel W. Bevan, Florence M. Crowley, Margaret Kimbrough, H. R. Jones, Lola Soloman, M. Davis.

Taylor County—W. T. Daniel, S. J. Tillet, W. M. G. Mackechney, S. J. Tillet, Thomas M. Willis.

Terrell County—A. T. Folsom.

Titus County—I. N. Williams, M. W. Cheney, Seb. F. Caldwell, C. Y. Parsons, M. D. Blackburn, H. P. Buford, C. L. Brontley.

Tom Green County—C. E. Mays, Jr., I. J. Curtsinger, Felix Probandt, R. C. Ramsey.

Travis County—Henry Runge, B. F. Russell, Walter P. Luck, Mitola Beatty, Miss Mattie Mabel Summers, O. S. Myers, A. E. Zevely, Paul Berghaus, W. R. Long, J. A. Bobo, Miss Nannie Loden, Addie N. McClellon, Julius H. Runge, S. N. Barron, Louise Cope, W. T. Potter, Cecil M. Brown, Mrs. N. D. King.

Tyler County—W. E. Adams, A. G. Reid, J. E. Wheat.

Upshur County—R. M. Briggs, W. M. Mathis, Harry Smith, I. E. Stephens, J. M. Shepherd, H. M. Patterson, Miss Grace Glezen, P. M. Thomas.

Upton County—L. M. Ainsworth.

Uvalde County—J. L. McCammon, Ditzler H. Jones, I. H. Burney, Paul R. Ellis, H. P. Hornby.

Van Zandt County—R. W. Garrett, O. C. Bruce, C. V. Thompson, T. R. Bacon, Miss Allie Smith, J. G. Kearby, Ernest A. Petrea, Richey Alexander, A. W. Meredith.

Victoria County—Miss Jessie Eason, Miss B. B. Bishop, J. R. Gervais.

Walker County—Bertha Kilman, Jno. E. Kilgore, Comer Plummer.

Webb County—Eugene Robin.

Wharton County—J. F. Bryson, R. M. Brown, Lillian Oshman, Joe Burger.

Wheeler County—Lillie Easley, C. E. McVey.

Wichita County—W. B. Chauncey, Miss Mamie Meadors, Miss Stella McKenzie, Miss Paralee Ragsdale, S. H. Hodges, Bernard Martin, Roy J. Neblett, E. H. Eddleman, S. Heyser, W. Lindsey Bibb, J. J. Moran, E. W. Carter, C. E. Ruthruff, C. M. McFarland, S. O. Jones, Miss Edna James, R. L. Edwards, Milton Clendenin.

Williamson County—E. B. Simmons, R. E. Bowers, Daniel Moody, A. J. Dos-talik, O. J. Frerichs, F. B. Stefka, J. C. Council, E. H. Lawhon, W. T. Mathis.

Wilson County—Miss Ramah Franklin.

Wise County—J. E. Hall, Guinn Williams, E. E. Gose, E. P. Gibson, E. P. Harding, H. M. Foster, J. E. Nelson.

Wood County—Chris W. Burnett, W. G. Russell, R. E. Kennedy, J. W. Lambert.

Young County—Gould Whaley.

DeWitt County—R. C. Fechner, W. P. Meissner, Fritz A. Schorre, Jr., A. E. Fritsche, B. L. Hausmann, John W. Neill, Irene M. Stell, Fred T. Mugge, Charles J. Eckhardt, John C. Butler, Miss Ethel Gee.

Live Oak County—S. F. Weatherly.

Bee County—H. S. Bonham, G. C. Robinson, J. Ed Dougherty.

Karnes County—C. G. Beken, A. G. McNeill, A. Conrads, L. W. Stieren, W. H. Howard.

Goliad County—Irvin McDonald.

Cherokee County—E. E. Guinn, Chas. F. Adams, Robt. S. Bolton, John Howard, L. F. Weeks, C. B. Newsom, M. B. Little, H. L. Kirkpatrick.

Bexar County—Arthur Surkamp.

Bastrop County—W. L. Moore.

Childress County—R. A. Bowers, Jno. P. Fleming, J. M. Crews, E. R. Biggs.

Wichita County—W. Lindsey Bibb, J. J. Moran, E. W. Carter, C. E. Ruthruff, C. M. McFarland, S. O. Jones, Miss Edna James, R. L. Edwards, Milton Clendenin, Martin L. Allday.

Clay County—Nolan T. Gaines.

McMullen County—Russell Burmeister.

Atascosa County—H. J. Niemeyer.

Wilson County—B. F. Nelson.

Houston County—W. A. Moore, Jno. Siddon, R. G. Cyphers, J. F. Scruggs, W. H. Spinks, Morris Long, William H. Long, W. L. Vaught, O. C. Goodwin, J. M. Ellis, R. L. Dominy, T. A. Hayes.

Anderson County—Clay Cotton, Miss Rena Hunter, C. L. Hufsmith.

Angelina County—E. B. Robb.

Atacosa County—J. D. Peeler, Carl Hollingsworth.

Bastrop County—W. L. Moore.

Bell County—S. D. Hanna, R. H. Patterson, W. R. Butler, Jr., B. B. Chap-pell, Lewis H. Jones, Dee Elmore.

Bexar County—T. W. Schoepfer, W. S. Kotch, J. F. Boyls, Mrs. Jos. Ald-ridge, E. E. Krueger, Frances R. How-ard, C. R. Young, Louise Haecker, Annie Saxon, George C. Westervelt.

Cameron County—H. S. Williams, G. E. Dodd, H. W. Williams.

Cass County—E. H. Ball, A. C. Oli-ver, Jr., A. B. Morris, L. H. Avinger, M. G. Jackson.

Coke County—J. T. Daniel, M. V. Greenland.

Collingsworth County—W. A. Walker, T. N. Childress.

Cooke County—Mrs. J. D. Haynes.

Dallas County—Geo. A. Nicoud, T. F. Monroe, W. L. Ward, Neill H. Banister, Walter Graner, Wiley A. Bell, Jr., H. C. Bishop, Ewing Clagett, Wm. Arch Jones, W. L. Moore, Harry U. Campbell, G. C. Roughton, A. F. Hambrick, Roscoe C. Moore, Louis Porter, W. C. Woodlief, Theodore Monroe, Oscar Hamilton, Will Ward, N. G. Cofer, T. A. Beaty, C. C. Curtis, R. F. Wells, E. E. Luesley, K. J. Pitts, F. S. Custis, E. M. Thompson, W. O. Smith, Olin E. Nesmith, Claud P. Mann, W. J. Rawls, J. D. Bowles, Evan Rees, M. E. Morrison, R. L. Thornton, Lillian Thixton, A. F. Carter, J. H. Niendorff, M. M. Garrett, A. R. Harned, Earnest R. Tennant, Pearson Ballowe, W. A. Fosdick, Forrest M. Anderson, W. Hoy Wray, Austin F. Allen, Moina Campbell, R. E. Erwin, Jos. W. Bailey, Paul C. Greene, H. H. Manner, Louis H. Porter, T. A. Beatty, C. G. Hommell, Emil G. Atlee, E. E. Turquette, W. R. Zanes, W. R. Lynch, W. M. Miller, Jr., W. D. Jones, Miss S. G. Gerber, W. E. Berry, R. B. Dowler, S. L. Byrd, Nell Boyd, Chas. C. Triplett, W. L. Estill, F. V. Nogueira, Thos. J. Jones, E. P. Gaston, C. B. Miller, R. L. Holmes, W. H. Marchbanks, W. L. Holmes, Mrs. Willye Babb, Grace McAleer, W. C. Rea, H. V. Haynes, William T. Sargeant, Robert Reisenberg, J. J. Metcalfe, L. F. Grigsby, Tarlton Morrow, W. R. McCarley, James Jackson, Spencer Adams, Prentice Wilson, Edna A. Wardall, Spence Hardie, Henry G. Thompson, Thurman Barrett.

Fort Bend County—Len H. Lowry, G. A. Kunkel and J. S. McEachin, Jr.

Freestone County—James R. Sessions.

Frio County—C. J. Harrington.

Galveston County—A. J. Crotty, R. C. Villenmore, Bettie E. Norton, Georgiana Rogers.

Gray County—A. G. Richardson, W. H. Holt, Clay E. Thompson.

Grimes County—T. P. Buffington, A. H. Hill.

Harris County—Mrs. Mary Frances Curry, John T. Schulte, Henry Pincus, Mrs. Annie Kennary, M. E. Walrath, Mrs. Anna T. Dyer, A. D. Buskill, Wilbert Davis, Brooke W. Leman, C. C. Parker, C. L. Leach, J. E. Garrett, Chas. A. Tomlinson, Justin Dorbandt, H. Hoval, Leon A. Lusk, Benj. H. Smith,

Fred Hathaway, Will C. Koester, J. B. Imber, H. D. Martin, A. H. Littlejohn, A. H. Ueckert, O. C. Bailey, J. M. Heiser.

Hill County—J. M. Meador.

Kleberg County—T. M. Colston.

Lamar County—Mrs. J. W. Wilson.

Lee County—Noah Albers, J. R. Folkes.

Limestone County—R. G. Patton, Fred T. Bennett, D. W. Harris, Miss Jim Sadler and James B. Franklin.

Martin County—H. L. Winchell.

Montgomery County—J. G. Montgomery, George I. Dean, C. W. Nugent, Jr., O. P. Perkins, W. A. Dean.

Morris County—Geo. M. Black.

Nacogdoches County—J. W. Baker, Geo. F. Ingraham, A. A. Seale, Cicero Kendrick, John B. Dorsey and R. W. Murphey.

Orange County—W. M. Gunstream, A. C. Snoke, and O. R. Sholars.

Rockwall County—W. L. Douthit, Kate Birch and J. P. Shelton.

Runnels County—W. Z. Case, Sam Baker and E. P. Scarbrough.

San Patricio County—H. C. Mills.

Travis County—E. J. Druebert, Worth S. Ray, Addie McClellan, Noel K. Brown, G. T. Stanley, R. E. White, B. F. Brewer and W. S. Freund.

Upshur County—R. M. Briggs.

Walker County—L. C. Cooper.

Wichita County—C. M. McFarland, S. O. Jones, J. Z. Carter, M. L. Allday, Miss Paralee Ragsdale.

## IN THE SENATE.

(Senator Morrow in the chair.)

## SENATE BILL NO. 14.

Action occurred on the pending business. Senate bill No. 14, the question being on the pending amendment by Senator Hudspeth.

The amendment was adopted.

Senator McNealus offered the following amendment, which was read and adopted:

Amend the printed bill, page 7, Section 9, line 5 by inserting the word "State," between the words "the" and "Board."

Senator Clark offered the following amendment:

Amend the bill by striking out all of line 16 on page 3.

The amendment went to the table pending corrective amendments.

(President Pro Tem. Warren in the chair.)

Senator Hudspeth offered the following amendment:

Amend the bill by adding at the end of Section 32, page 26, the following: "Provided that the bonds given by the president and cashier shall not be less than one hundred thousand dollars each, and by none of the other officers less than twenty-five thousand dollars."

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, September 21, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has adopted the Free Conference Committee report on Senate bill No. 12 by a vote of 96 yeas and 0 nays; also,

Has passed Senate bill No. 9 with amendments.

Respectfully,  
W. R. LONG,  
Chief Clerk, House of Representatives.

#### SENATE BILL NO. 9.

Senator McNealus offered the following motion in writing:

I move that the Senate refuse to concur in the House amendments to S. B. No. 9, and elect the following as a Free Conference Committee on the part of the Senate:

Senators Townsend, Carter, Wiley, Darwin and Harley.

The above motion was read and Senator Wiley made the point of order that S. B. No. 9 had been so amended that it was a substitute House bill for the Senate bill and would, therefore, under the rules of the Senate, have to be referred to a committee as if it was a House bill.

The Chair, President Pro. Tem. Warren, sustained the point of order, citing as a precedence to action on S. B. No. 30, Regular Session of the Thirty-third Legislature, Journal, p. 1379.

The bill was referred to the Committee on Commerce and Manufactures.

#### EXTRA JOURNALS ORDERED.

Senator Bailey of DeWitt moved that 250 extra copies of the Journal of today be ordered printed.

The motion was adopted.

S2-16

#### RESOLUTION SIGNED.

The Chair, President Pro Tem. Warren, gave notice of signing, and did sign, in the presence of the Senate, after its caption had been read, the following resolution:

H. C. R. No. 6, Requesting the Governor to submit certain subjects for Legislation.

#### ADJOURNMENT.

On motion of Senator Johnson, the Senate, at 4:40 p. m., adjourned until 9 o'clock tomorrow morning.

#### APPENDIX.

#### COMMITTEE REPORT.

Committee Room,  
Austin, Texas, September 21, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed Bills have carefully compared Senate bill No. 15, and find same correctly engrossed.

BRELSFORD, Chairman.

#### TWENTY-FOURTH DAY.

Senate Chamber,  
Austin, Texas,

Tuesday, September 22, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	McNealus.
Clark.	Morrow.
Collins.	Nugent.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Harley.	Watson.
Hudspeth.	Wiley.



Absent.  
 Hall. Willacy.  
 Real.  
 Absent—Excused.  
 Astin. Henderson.  
 Conner. Westbrook.

Prayer by the Chaplain.  
 Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Johnson.  
 Morning call concluded.

#### FREE CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 10.

Austin, Texas, September 21, 1914.  
 Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: We, your Free Conference Committee on part of the Senate appointed to adjust the differences between the House and Senate on Senate bill No. 10, beg leave to make the following report:

We are unable to agree on the differences between the House and Senate. The committee agrees to all the differences except the amendment adopted by the House to Section 8 relating to penalizing corporations for each day they are in operation in violation of the provisions of this law, the House refusing to penalize the corporations for such violations. Being unable to agree on this House amendment to the bill, your committee respectfully submits this report for such further action as is desired.

CARTER.  
 COLLINS.  
 BRELSFORD.  
 HUDSPETH.  
 LATTIMORE.

The report was read.

#### HOUSE BILL NO. 18.

Pending business being Senate bill No. 14, Senator Bailey of DeWitt asked unanimous consent to take up House bill No. 18.

Senator McNealus made the point of order that the joint rules prevented the consideration of bills on this, the last day of the session, and the request was withdrawn.

Senator Collins then moved to suspend

the regular order of business and take up House bill No. 18.

The point of order was renewed.

The objection was withdrawn and unanimous consent was granted.

#### RELATING TO SENATE BILL NO. 10.

Here the matter of the report of the Free Conference Committee, on part of the Senate, on Senate bill No. 10 was laid before the Senate, and, after discussion Senator Collins moved that the report be accepted and the committee discharged.

Senator Terrell moved, as a substitute, that the committee be continued and requested to give further consideration to the bill.

The substitute motion was lost.

Senator Collins then withdrew his motion.

Senator Clark moved that the Senate do not accept the House amendment to Section 8.

Senator Lattimore moved, as a substitute, that the Senate do not accept the Free Conference Committee report and refer it back to the committee with instruction to concur in the House amendments to the bill.

The substitute motion was lost.

Action recurred on the motion by Senator Clark, that the Senate do not concur in the House amendments, which motion was adopted.

Senator Nugent moved that the report of the committee be approved and the committee discharged.

The motion was adopted.

(Senator Terrell in the chair.)

#### HOUSE BILL NO. 4—CONFERENCE COMMITTEE REPORT ON.

Senator Gibson, on part of the committee, presented the following report:

Committee Room,

Austin, Texas, September 21, 1914.

Hon. Robert L. Warren, President Pro Tem. of the Senate, and Hon. Chester H. Terrell, Speaker of the House of Representatives.

Sirs: We, your Conference Committee, to whom was referred H. B. No. 4, with Senate amendments thereto, have had same under consideration at a session of said committee, and beg leave to report it back to the Senate and

House with the recommendation that it do pass and we present herewith the bill in full with the amendments agreed upon by your Conference Committees.

CALVIN.  
PENRY.  
BURMEISTER.  
BURNS.  
KIRBY,

On the part of the House.

GIBSON.  
DARWIN.  
MORROW.

BAILEY of DeWitt.

On the part of the Senate.

Conference Committee Substitute for House bill No. 4:

A bill to be entitled "An Act to create a State bonded warehouse system, and to afford a method of co-operative marketing for those engaged in the production of farm, orchard and ranch products, and for the purpose of effectuating this end, creating a Board of Supervisors of Warehouses; defining the authority of said board, and giving it power of visitation over the corporations chartered under this act; and as a part of the system, authorizing the formation of State bonded warehouse corporations on the mutual plan, to be under the supervision and control of the said board; defining the purpose, power and authority of such corporations and regulating the chartering, management and business of the same; defining and prescribing the receipts to be issued by State bonded warehouses and the rights of the respective parties thereunder, and providing the law, rules and regulations governing the same; stating the business which may be conducted by State bonded warehouses, as incidents of their warehouse and marketing business; declaring public gins to be subject to a public use and requiring that all ginners in the State shall, after June 1, 1915, obtain a license from the Board of Supervisors of Warehouses; defining public gins; and prescribing certain rules and regulations relative to the ginning and baling of cotton and sampling the same, and requiring all public ginners and gin companies in this State to give a bond, and prescribing the conditions of such bond; authorizing the Board of Supervisors of Warehouses to employ the services of necessary agencies for carrying out the purposes of this act, and also to employ the necessary clerical help, office force, experts, and examiners, and creating the office of State Warehouse Examiners, defining their duties,

authority and compensation; vesting the authority now vested by law in the Commissioner of Insurance and Banking with reference to public warehouses, in the Board of Supervisors of Warehouses, but providing that this section does not apply to the law passed by the present session of the Legislature with reference to the establishment of State warehouses as an emergency measure to be administered by the Commissioner of Insurance and Banking; extending the landlord's lien to stored products; authorizing regulation of cotton bagging; creating and defining offenses in violation of this act, and prescribing penalties therefor; making appropriation for carrying this act into effect and declaring an emergency."

Be it enacted by the Legislature of the State of Texas.

Section 1. The purpose of this act is to provide a system of State bonded warehouses and to afford a method of co-operative marketing for those engaged in the production of farm, orchard and ranch products. The provisions of this act shall be administered by the Department of Insurance and Banking; and the Governor of this State, the Commissioner of Agriculture and the Commissioner of Insurance and Banking shall constitute a Board of Supervisors of Warehouses, who shall control the administration of this act; and shall formulate and enforce necessary rules and regulations, to effectuate the purposes and provisions of this act.

Sec. 2. The board shall have authority to employ such experts, examiners, clerks and such other help as may be necessary in carrying out the provisions of this act, at such salaries as may be fixed by them except as otherwise herein provided, and such employees in addition thereto shall, when traveling on official business, receive their actual necessary expenses. The board shall adopt and use an appropriate seal. All expenditures, including all expenses of administering this department, shall be paid by warrants drawn by the Comptroller on the State Treasurer, on accounts approved by the Commissioner of Insurance and Banking. The board shall be furnished sufficient room and office space in the Department of Insurance and Banking to meet the requirements of said board.

Sec. 3. The board of supervisors and all warehouse examiners appointed by them shall have authority to administer oaths for the purposes of this act and such examiners may, upon their war-

rants as examiners, at any time examine into the affairs of any corporation created under this act. Such examinations shall be under the direction and at the instance of the Commissioner of Insurance and Banking.

Sec. 4. After June 1, 1915, all public gins that may be operated in this State, whether by individuals, partnerships, joint stock companies, or corporations, shall be charged with a public use, and shall be required to obtain a license as public ginner from the board of supervisors, which license shall be renewed each year upon the payment of an annual fee of \$1. To obtain such license, application must be made to the board, stating the location and capacity of the gin, by whom owned and conducted, and the postoffice address of such owner or operator. Such application shall be accompanied by a bond in the form prescribed by the board and must be approved by the chairman of the board. Such bond may be that of a bonding and indemnity company authorized to do business in Texas, or by private persons, and in event of an individual bond, such bond shall be renewed once each year, and which bond shall be in the sum of \$1 for each bale of cotton ginned by said gin the next preceding season, provided in no event shall a bond of more than \$2500 be required of any one ginner for each gin he may own, and provided further when said gin begins for the first season, a bond of \$500 shall be required; said bond shall be payable to the State of Texas for the use and benefit of all who may have a cause of action against the maker thereof under the terms and provisions of this act, and suit may be brought thereon against the maker thereof in any court of competent jurisdiction in the name of the aggrieved party, without the necessity of joining the State in the suit, but the venue of the suit shall be subject to the general venue statutes of the State. Said bond shall not be void on first recovery, but repeated suits may be brought on one bond until the amount of the same has been exhausted; and when the bond has become impaired by reason of any judgment thereon the maker thereof shall be required to give a new bond or make good the impairment; otherwise the board shall cancel his license as a public ginner. The condition and obligations in the bond shall be that the samples of cotton taken from each bale of cotton ginned by the gin designated

in the bond and in its application for license, are fair, true and correct samples of the cotton in the bale, and that the bale of cotton has been carefully ginned and that no foreign matter or substance has been placed in the cotton, nor has any water or anything that would increase the weight thereof, been placed therein during the process of ginning or thereafter while said cotton was in the possession of the gin or ginner, and that all gins separate dirt from seed.

Sec. 5. Each licensed and bonded ginner under this act shall take from each bale of cotton ginned by him three fair, true and correct samples of cotton, weighing not more than 5½ ounces each and place the same in separate receptacles and seal the same so that they may not be opened except by cutting; one of said samples shall be filed for safe-keeping by the ginner, and the other two shall be delivered to the owner; and in case the cotton is deposited in a warehouse, one of said samples shall be left with the warehouse manager: with said samples of cotton there shall also be placed a certificate under the signature of the ginner or gin company that said sample is a true, correct and fair sample, as far as said ginner or gin company may be able to determine, and that the ginner or gin company guarantees under its bond that no fraud was practiced in taking such samples and that same were fairly taken from said bale and were taken in such manner as that the taker believed them to be true, correct and fair samples of said bale, and that during the process of ginning said bale no foreign substance, water or anything had been placed in said cotton or thereafter while said cotton was in the possession of the ginner or gin company with the intent to defraud; that such certificate shall also have the name and address of the party for whom ginned, the name and address of the ginner or gin company, the name of the person upon whose land the cotton was raised, and the number of the bale on the books of the said gin company, and the weight of the bale at the gin.

Sec. 6. Each and every bale of cotton ginned by a public gin in this State shall be wrapped in bagging so as to completely cover same, and leave none of the cotton exposed. The bagging in which the same is wrapped shall be of such character of fiber and texture that all the markings placed on same will, under ordinary conditions, remain

intact and visible. Each and every licensed and bonded ginner shall place in letters and figures on one side of each bale of cotton ginned by him in appropriate letters the following:

B .....

B. G. ....

The first blank above indicated shall be filled in by the ginner by placing the same number as that of the bale shown on the books of the gin ginning the same; and the letter "B" shall stand for "bale"; and the second blank shall be filled by the ginner by inserting the number of the gin's license, assigned by the board of supervisors; and the letters "B. G." shall stand for "bonded gin."

Sec. 7. The standards of weights and measures of this State shall be the standards of weights and measures used under the terms and provisions of this act. It shall also be the duty of the board of supervisors to establish standards of classification for cotton, corn and all other farm and ranch products of whatsoever kind and character which may be subject to classification, and originals of such standards so established shall be maintained subject to public inspection in the offices of the board at all times; and duplicates of said standards, as well as the standards of weights and measures, shall be furnished by the board of supervisors to all who may apply therefor upon the payment of the necessary cost thereof. It shall be the duty of each public warehouse company to keep duplicates of said standards as well as the standard of weights and measures at its warehouses, subject to inspection and comparison of grades and classifications by persons storing products; provided, that the standards of classification shall always be the standards established by the government of the United States or shall be the same as those used generally in this country.

Sec. 8. Any number of persons, not less than three, who shall be resident citizens of the State of Texas, may apply for a permit to form a corporation under the provisions of this act. The incorporators shall make application to the Commissioner of Insurance and Banking for authority to solicit members, which application shall set forth:

The proposed name of the corporation desired to be organized; the principal

place of business; character of business intended to be conducted; the amount of capital stock; and shall be accompanied by the affidavit of at least one of said applicants, giving the names, residence and occupation of the applicants.

Upon receipt of such application, together with a permit fee of \$1, the Commissioner of Insurance and Banking shall, after full investigation and approval, issue to the applicants a permit authorizing them to solicit members and organize the corporation. And it shall be the duty of the board of supervisors in such manner as it may find practicable to promote the organization of such proposed corporations under and in accordance with the provisions of this act.

Sec. 9. Any number of persons, not less than ten, at least sixty per cent of whom shall be engaged in agriculture, horticulture, or stock raising as a business, and no less than three-fourths of whom shall be resident citizens of Texas, may apply to the Board of Supervisors of Warehouses for a charter as public warehouseman.

The application for a charter shall contain:

1. The name of the corporation.
2. The place or places where its business is to be transacted, and the location of its principal business office.
3. The purpose for which the corporation is formed.
4. The term for which it is to exist.
5. The number of its directors, which shall not be less than three nor more than twenty-five, and the names and residence of those selected for the first year.
6. The amount of the capital stock; and the application shall be accompanied by the affidavit of three of such applicants that the capital stock is actually paid in, which capital stock shall in no instance be less than one thousand (\$1000) dollars divided into shares of five (\$5) dollars each. And if the same has been paid in other than cash, then a detailed statement as to the kind, character, and value of the property shall be made a part of the affidavit.

Sec. 10. When said application for a charter, filed with the Board of Supervisors of Warehouses shall be approved by them, the Secretary of State shall upon the payment of the usual fees, provided that no charter fee shall exceed \$25, issue a charter to the corporation; and thereupon the Commissioner of Insurance and Banking shall record

said charter and furnish the corporation a certified copy thereof, and shall issue to the corporation a certificate of authority showing that it has complied with the laws of the State of Texas, and authorizing it to do business until the last day of March of the following year; provided, however, that before said charter is delivered to the corporation and before said certificate of authority is furnished, the corporation shall execute, by its proper officers, a bond payable to the State of Texas, the amount of such bond to be determined by the Commissioner of Insurance and Banking taking into consideration the capacity of the warehouse and the amount of business proposed, and likely to be conducted, and such bond may be changed from time to time in accordance with the volume of business done or to be done. The bond may be that of a bonding and indemnity company authorized to do business in Texas, or the bond of private persons, in which event of individual bond, such bond shall be renewed once each year, and the sufficiency of such bond shall be approved by the Commissioner of Insurance and Banking before being filed. The conditions of such bond shall be to obligate the corporation to observe all provisions of this law, and such other laws as may be enacted by the Legislature governing said bonded warehouse, and shall be for the purpose of guaranteeing that the corporation will exercise ordinary care in the storage, preservation and handling of all products entrusted to it for storage or sale, or both; and shall be for the purpose of guaranteeing within approximate limits, the classification, weights, grades and measures made by the corporation. The bond herein provided for may be sued upon by any person sustaining damage by reason of any default or dereliction of duty of said corporation, venue of which suit, however, shall be determined by the general venue statutes of the State. It shall not be necessary to make the State of Texas a party to such suit; nor shall one or more suits preclude further suits on the bond, but successive suits may be brought on said bond, until the same shall have been exhausted. Should the bond become impaired at any time, then the Commissioner of Insurance and Banking shall require such impairment to be made good, and unless this be done within thirty days after notice is given, the board of supervisors shall have au-

thority to proceed to close the doors of the corporation, liquidate its affairs and discharge its debts, as is provided in Section 16 of this act. In the event the board shall take charge of such corporation it shall be empowered to collect, by suit or otherwise, the full amount of the bond, or so much thereof as is necessary, which, taken with the other assets of the corporation, may be found sufficient to discharge its obligations.

Sec. 11. The capital stock herein provided for shall never be less than one thousand (\$1000) dollars.

Sec. 12. The property or business of corporations chartered hereunder shall be controlled and managed by a board of directors of not less than three nor more than twenty-five in number, who shall be members of the corporation and bona fide citizens of Texas, and no member of a board of directors of one warehouse created and operating under this act shall be a member of a board of directors of any other such warehouse. The directors shall be elected annually at the general meeting of the members of such corporation, which meeting shall be held at such time and place as may be prescribed by the by-laws, the notice of which meeting shall be mailed to each member at least two weeks before the date set for the same. Each member of the corporation at all general and special meetings of the same shall have one vote and no more.

Sec. 13. Every bonded warehouse corporation chartered hereunder, shall be subjected to the supervision and control of the board of supervisors of warehouses, who shall make or cause to be made through the Department of Insurance and Banking an examination of the affairs of each such corporation, at the expense of such corporation, at least twice each year, and at such other times as it may deem necessary. If, upon examination, the board finds such corporation is insolvent, or has exceeded its powers or that its business is being conducted in an unsafe manner, or that it has failed to comply with any provision or provisions of the law, it shall at once give written notice to the officers of such corporation, setting forth the facts complained of, and upon the failure of the corporation to conform its acts to the law within a reasonable time, not to exceed in any event thirty days, the board shall report the condition of the corporation to the Attorney General who may bring such action as the necessities of the case and the law require.

The board of supervisors shall also, not less than twice each year, and more frequently if deemed necessary, call upon such corporation for a statement of its affairs showing the condition of its reserve fund, its assets and liabilities, and for such other information as it may deem advisable. Such report shall be made upon the oath of one of the managing officers of the corporation and shall be attested by at least a majority of its directors, which report shall be upon forms prescribed by the board.

Sec. 14. The expense of each and every general and special examination of corporations chartered under this act shall be paid by the corporation examined, in such amount as the Commissioner of Insurance and Banking shall certify to be just and reasonable, provided such expenses shall be paid in proportion to the capital stock of the various corporations, as follows: Those with a capital stock of less than two thousand five hundred (\$2500) dollars shall not pay more than twelve and one-half (\$12.50) dollars; those with a capital stock of two thousand five hundred (\$2500) dollars and not exceeding ten thousand (\$10,000) dollars shall pay not exceeding twenty (\$20) dollars; those with a capital stock of twenty-five thousand (\$25,000) dollars or less, and not less than ten thousand (\$10,000) dollars shall pay not exceeding thirty (\$30) dollars; those with a capital stock exceeding twenty-five thousand (\$25,000) dollars shall pay not exceeding fifty (\$50) dollars; provided that those with a capital stock of one million (\$1,000,000) dollars or more shall pay not exceeding two hundred (\$200) dollars for each examination. All sums collected as examination fees shall be paid by the board directly into the State Treasury to the credit of the general revenue fund. Payments for salaries and expenses of examination, and expenses of the board in enforcing this act, shall be paid upon certificates of the Commissioner of Insurance and Banking by a warrant of the Comptroller upon the State Treasurer.

Sec. 15. Every warehouse examiner appointed by the board of supervisors shall be a competent bookkeeper, and before entering upon the duties of his appointment, shall take and file in the office of the Commissioner of Insurance and Banking the constitutional oath, and in addition, to make fair and impartial examinations, and that he will not accept as presents or emoluments any pay, directly or indirectly, for the

discharge of any act in the line of his duty other than the remuneration fixed and accorded to him by law, and that he will not reveal the condition of any corporation examined by him, or give any information secured in the course of examination, to anyone except the Governor, the board, or the Attorney General, and except when required to do so in the enforcement of the law. No such examiner shall be appointed who has not had practical experience as a bookkeeper for at least two years. No such examiner shall be appointed who is, at the time, an officer or stockholder in any warehouse company or corporation, or in any firm or corporation engaged in the purchase or sale of farm orchards or ranch products on commission. No such examiner shall be appointed receiver of any State bonded warehouse company whose papers and affairs he shall have examined pursuant to his appointment; and each such examiner shall enter into a bond payable to the State in the sum of five thousand (\$5000) dollars to be approved by the Commissioner of Insurance and Banking, and deposited in the office of the said Commissioner of Insurance and Banking, conditioned that he will faithfully perform his duties as such examiner. The board, from time to time, shall appoint such number of State Warehouse Examiners as may be necessary to make examination of the corporations chartered hereunder, which number shall at no time exceed one for every fifty corporations then subject to examination under the laws of the State; as full compensation for the performance of the duties of examiner, each person so appointed shall be entitled to receive a salary of not exceeding two thousand (\$2000) dollars per annum, besides necessary traveling expenses. An itemized account of such expenses shall be approved by the Commissioner of Insurance and Banking.

Sec. 16. Whenever the board of supervisors shall have reason to believe that the capital stock of any corporation subject to the provisions of this act is impaired, they shall require such corporation to make good the deficiency. Whenever it shall appear to the board from any examination made by any examiner that such corporation is conducting its business in an unsafe, unauthorized manner, it shall, by an order under its hand and seal, direct the discontinuance of such illegal, unsafe and unauthorized practice, and shall direct a strict conformity with the requirements of the law, and with safety and

security in its transactions; and if wrong entries or unlawful uses of the funds of the corporation have been made, the board shall require that such entries shall be corrected, and such sums unlawfully paid out shall be restored by the person or persons responsible for the wrong payment thereof; and whenever any corporation shall refuse or neglect to make any such report as hereinbefore required or to comply with any such order aforesaid, or whenever it shall appear to the board that it is unsafe or inexpedient for any such corporation to continue to transact business, or that any officer or director has abused his trust or been guilty of misconduct or malversation in his official position injurious to the institution, or that it has suffered a serious loss by fire, repudiation or otherwise, the board shall communicate the facts to the Attorney General, who shall institute such proceedings as the nature of the case may require; and the court or judge thereof in term time or vacation before whom such proceedings shall be instituted shall have power to grant such orders in its or his discretion as may be necessary, and from time to time to modify or revoke the same, and to grant such relief as the evidence, the situation of the parties at interest in the case shall seem to require.

If, from an examination made by any examiner, it shall be discovered that any corporation organized under this act is insolvent, or that its continuance in business will seriously jeopardize its creditors, it shall be the duty of the board of supervisors immediately to close such corporation and to take charge of all the property and effects thereof. Upon taking charge of any such corporation the board shall, as soon as practicable, ascertain by a thorough examination into its affairs, its actual financial condition, and whenever the board shall become satisfied that such corporation can not resume business or liquidate its indebtedness to the satisfaction of its creditors, the board shall report the fact of its insolvency to the Attorney General, who shall immediately upon receipt of such notice, institute proper proceedings in the proper court for the purpose of having a receiver appointed to take charge of such company and to wind up its affairs and business for the benefit of its creditors and members; and it is made the duty of the court and the judge thereof, in term time or vacation, after notice and hearing, if it appear necessary, to

appoint said receiver to take possession of the property and effects of said corporation for the purpose of winding up the business thereof; also the board may appoint a special agent to take charge of the affairs of such insolvent corporation until such receiver is appointed, who shall qualify, give bond and receive compensation the same as regularly appointed warehouse examiners, such compensation to be paid by the corporation or allowed by the court as costs in the case of the appointment of a receiver; provided that in no case shall any corporation continue in charge of such special agent for a longer period than sixty days. Any corporation chartered hereunder may place its affairs and effects under the control of the board by posting a notice on its front door as follows: "This institution is in the hands of the board of supervisors of warehouses of the State of Texas." The posting of this notice or a similar notice by the board or under its direction that it has taken possession of any corporation shall be sufficient to place the property and assets of the corporation of whatever nature in possession of the board and shall operate as a bar to any attachment proceedings whatever.

Sec. 17. If any corporation subject to the provisions of this act shall refuse to submit its books, papers, and concerns to the inspection of the Commissioner of Insurance and Banking, or any of the examiners of the board of supervisors, or if any officer or director thereof shall refuse to be examined on oath touching the concerns of the corporation, or if it shall be found to have violated its charter or any law of the State binding upon it, the board shall report the facts to the Attorney General, who shall institute such proceedings against such corporation as is authorized to be instituted against insolvent corporations.

Sec. 18. The directors of any corporation chartered hereunder may appoint or remove any officer or other employee at pleasure. The officer or employee shall have no power to endorse, sell, pledge or hypothecate any bond, note or other obligation received by such corporation, or any property deposited with it as a warehouseman, until such power and authority shall have been given such officer or employee by the board of directors in a meeting of the board, regularly called and held, a written record of which proceedings shall have first been made upon the minutes of the corporation; and all acts of en-

dorsing, selling, pledging or hypothecating by any such officer or employee without the authority of the board of directors as herein provided, shall be null and void.

Sec. 19. Corporations chartered hereunder shall have the right to erect, purchase or lease, and to operate warehouses, buildings, elevators, storage tanks, silos, and such other places of storage and security as may be necessary for the storage, grading, weighing and classification of cotton, wool, wheat, corn, rice, alfalfa, fruit, silage, and other farm orchard and ranch products, and all weights, grades and classes shall be made in accordance with the standards of weights, grades and classes prescribed by law and by the board of supervisors.

Before such corporation shall be permitted to open its doors for business, and in order for it to continue to transact business, the employee or officer in active management of its warehouse, must have a certificate from the board of supervisors of warehouses as a certified warehouseman. In order to receive such certificate such person must present satisfactory evidence to the board that he is competent to discharge the duties of such position, the kind and character of evidence to be presented to the board to be stated by the board in the rules promulgated by it for such purpose. Upon presenting satisfactory evidence to the board that he is qualified as a warehouseman the board may issue to any applicant therefor a certificate showing that such applicant is a certified warehouseman, upon the payment of a fee of one dollar for such certificate. Provided, however, that the life of any such certificate shall be two years, at the expiration of which time the applicant must obtain a new certificate.

Sec. 20. All charges for storage in warehouses operated under the provisions of this act in this State, shall be subject to limitation and regulation by the board of supervisors of warehouses to the extent of fixing a maximum charge in any particular place, and the charges so limited and regulated need not be the same at all places, but the board may take into consideration the local conditions and the volume of business of each warehouse, provided that in fixing the charges for ginned cotton, consideration shall be given to the size of the bale. The board shall have power to deny a permit to do business under this act when

in its judgment there are sufficient warehouse facilities at the point where a new corporation may desire to do business. The board shall have power to prohibit the storage of cotton or other inflammable commodities in an unsafe building, or require a storage house to be remodeled within certain specified dates, so as not to unduly hamper the conduct of the business and the convenience of the public. The board shall require fire insurance by blanket policies or individual policies in some solvent insurance company chartered under the laws of the State of Texas, or having a permit to do business in the State of Texas, to be carried by the warehouse corporations operating under this act, and to require such other means and methods of protection from fire or weather or depreciation as the board may deem necessary in each case. No fire, fire and marine, marine or inland insurance company, doing business in this State shall expose itself to any one risk, either upon buildings of any character or their contents, except when insuring cotton in bales and grain, in an amount exceeding ten per cent of the aggregate of its paidup capital stock and surplus, unless the excess shall be re-insured by such company in some other solvent insurance company legally authorized to do business in this State.

Sec. 21. Every corporation organized hereunder may divide its profits among its members in proportion to the amount of business transacted for each of said members, after having paid dividends to each member on the amount which each of said members has paid into the capital stock of the company, subject, however, to the following provisions: Twenty per cent of the net profits on each year's business shall annually be paid into the reserve fund hereinafter provided for until the reserve fund shall equal twice the amount placed in the capital stock at the time the corporation was chartered; the balance of the net profits shall be divided in accordance with the by-laws of the company; provided that those paying into the reserve fund shall first be entitled to a ten per cent dividend or such less amount as may be stated in the by-laws for each year before the remainder thereof is divided among the members in proportion to the amount of business transacted for each member.

Corporations chartered hereunder shall have the right to act as warehousemen and charge for their services as such and do and perform generally all things



which may be done or performed by warehousemen. Such corporations shall also have the right to sell in the market all products of the ranch or orchard and farm on a commission basis or such other basis as may be agreed upon by them with their customers. Corporations chartered hereunder shall have the right to purchase or construct or lease all such warehouses, landings and buildings as may be necessary for their business. They shall have the right to employ such other instrumentalities and agencies as may be necessary for the storing, preserving and marketing of farm, orchard and ranch products to the best advantage of their members and customers; provided, that at least 60 per cent of the shareholders engaged in such business shall be engaged in farming, horticulture and stock raising as a business. Corporations chartered hereunder shall have the right to loan money upon products placed in their warehouses; provided, that the amount loaned thereon shall not exceed 75 per cent of the market value of the property so placed with them, except that they may loan 85 per cent of the then market value of cotton and wool placed with them. Corporations chartered hereunder shall have the right to loan money upon chattel mortgages, to their members only, for the purpose of enabling them to make and mature their crops, but such chattel mortgages shall always be upon property double the amount in value of money loaned thereon. Corporations chartered hereunder shall have authority to loan money on crop mortgages, but such crop mortgage must always be the first mortgage thereon exclusive of the landlord's lien, and shall always be secured by an acreage which under the ordinary general conditions would produce double the amount loaned thereon. Corporations chartered hereunder may invest their capital stock and surplus in a home office building. They may also invest such capital stock, surplus and undivided profits in United States bonds, Texas State bonds, county, city, district and municipal bonds and road bonds in the State of Texas; provided, such bonds are issued by authority of law and interest upon them has never been defaulted. Such corporations shall never have the right to receive deposits nor discount commercial paper generally, but may make such character of loans and investments as are herein provided for; provided, however, such corporations shall never be permitted to loan

money upon chattel mortgages, crop mortgages or personal security, except to their members and then only to enable them to make, mature and gather their crops or market their ranch products.

Sec. 22. Corporations organized hereunder shall have authority to contract debts as have other business corporations, and, in addition thereto, may issue special bonds to be known as "sinking fund bonds," as follows:

They may invest all or any part of their capital stock, to be not less than one thousand (\$1000) dollars, in such securities as are herein designated for the payment or investment of their capital, which, when approved by the Board of Supervisors, shall be deposited in the State Treasury; the interest on such investment shall be annually paid into the State Treasury, and be placed to the credit of the sinking fund for liquidation of bonds of such corporation, and which interest shall be from time to time invested by the board in similar securities, which, in turn, shall be deposited in the State Treasury. Said securities, when so deposited in the State Treasury, shall remain there as the sinking fund out of which the principal sum of the bonds hereinafter provided for shall be paid, and said securities shall not be used for any other purpose than to liquidate the bonds herein provided for, unless and until such sinking fund bonds have been paid, in which event the securities herein provided for shall be returned to the corporation owning same, and shall become a part of the general assets of the corporation. After the investment in the securities herein provided for shall have been made, the board shall grant authority to the corporation to issue bonds in double the amount of such original capital stock to bear not greater than 6 per cent interest, and to run for a period not exceeding thirty years. When said bonds shall have been issued and signed by the proper officers of the corporation they shall be registered by the board; said bonds shall show on their face that the principal thereof is secured by the securities herein required to be deposited in the State Treasury, and shall have plainly written, printed, lithographed or engraved on their face the words, "Sinking Fund Bond of ..... State Bonded Warehouse Company," with the postoffice address of the corporation; said bonds shall show on their face also that the interest contracted to be paid thereon is secured to them by the general assets of the cor-

poration. After said bonds have been issued as herein provided for, and registered by the board, they shall be returned to the corporation issuing them, and may then be by such corporation placed on the market and sold, but shall never be sold at less than 90 per cent of the face value.

Sec. 23. The Board of Supervisors shall collect from every source available information concerning stocks on hand and the probable yield of farm and ranch products, and disseminate the same; and it may establish agencies for the sale of farm, orchard and ranch products wherever it may be deemed advisable, in which event it is empowered to prescribe all regulations for the conduct of such agencies as may be found necessary, and the expense incident to the establishment of any agency or agencies shall be paid as are other expenses incurred in the administration of this act.

Sec. 24. Every corporation organized under this act shall be amenable to and subject to all the laws of this State governing corporations generally; provided, no charter fees shall exceed twenty-five (\$25) dollars.

Warehouses operated under this act shall be conducted under rules fixed by the Board of Supervisors in order to effectively carry out the provisions of this act; and it shall be the duty of the board, as soon as may be after this act takes effect, to promulgate rules and regulations by which the provisions of this act may be effectively carried out.

Sec. 25. The form of warehouse receipts shall be prescribed by the board and must be uniform, and every receipt must embody within its written or printed terms:

(a) The location of the warehouse where the goods are stored.

(b) The date of issue of the receipt.

(c) The consecutive number of the receipt.

(d) A statement whether the goods received will be delivered to the bearer, to a specified person, or to a specified person or his order.

(e) The rate of storage charges.

(f) The description of the goods or the package containing them.

(g) The signature of the warehouseman, which may be made by his authorized agent.

(h) If the receipt is issued for goods of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership and

(i) A statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien. If the precise amount of such advances made or of such liabilities incurred is, at the time of the issue of the receipts, unknown to the warehouseman or to his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purposes thereof is sufficient.

(j) It shall also state that the corporation guarantees under its bond the weight, classes and grades, within approximate limits, of the products for which the receipt may be given, at the time of the issuance of such receipt and at the elevation of the place where said warehouse is located.

(k) Said receipt shall also show the elevation above sea level of the warehouse.

A warehouseman, in addition to his common law liability, shall be liable to any person injured thereby for all damages caused by the omission from a negotiable receipt of any of the terms herein required.

Sec. 26. A receipt in which it is stated that the goods received will be delivered to the depositor, or to any other specified person, is a non-negotiable receipt.

A non-negotiable receipt shall have plainly placed upon its face by the warehouseman issuing it "non-negotiable." A receipt in which it is stated that the goods received will be delivered to the bearer, or to the order of any person named in such receipt, is a negotiable receipt.

All receipts shall be numbered consecutively in the order of their issuance and a record of each receipt shall be kept at the office of the company. No two receipts bearing the same number shall be issued from the same warehouse during the same year, nor shall any duplicate receipt be issued, except in the case of a lost or destroyed receipt, in which case a new receipt shall bear the same date and number as the original and shall be plainly marked on its face "duplicate."

In addition to other provisions, each receipt shall have a blank form on the back thereof to be filled in and signed by the owner of the cotton or other products showing whether such cotton or other products is [are] free from encumbrance or liens of any kind. If there is any landlord's lien or encumbrance or lien of any kind on said cotton or other

products, at the time of its storage, the amount of same shall be clearly set out; and it is made the duty of the manager issuing the receipt to have said blank filled in and signed by the owner of the cotton or other products before issuing a negotiable receipt for same; provided, however, such statement may not be made if a non-negotiable receipt is desired.

When cotton grown on rented or leased premises is tendered for storage in a State warehouse, in addition to the foregoing requirements, all receipts issued therefor shall be issued jointly in the name of the tenant and of the landlord, showing their respective interests in such cotton, unless the tenant or person storing the same presents written authority from the landlord or from the tenant, as the case may be, requesting the issuance of the receipt in the name of the one or the other.

If a person holding a non-negotiable receipt shall desire to obtain a negotiable receipt in lieu thereof, he shall return said non-negotiable receipt to the warehouse issuing the same, and thereupon shall comply in every respect with the provisions of this act relating to negotiable receipts, and upon compliance with which a negotiable receipt shall be issued to him in lieu of said non-negotiable receipt, and said non-negotiable receipt shall thereupon be canceled, and the word "canceled" plainly marked or stamped in ink across the face thereof.

No warehouse receipt shall be issued except on the actual previous delivery of the goods in the warehouse or on the premises and under the control of the manager thereof.

Sec. 27. Upon the presentation and return to the warehouse of any public warehouse receipt issued by its manager and properly endorsed, and the tender of all proper warehouse charges upon the property represented by it, such property shall be delivered immediately to the holder of such receipt; but the manager of such warehouse who shall issue a receipt for cotton or other products shall not, under any circumstances or upon any order or guaranty, deliver the property upon which said receipts issued until such receipts have been delivered and canceled, except in case of lost receipts.

Upon delivery of the goods in a warehouse upon any receipt, such receipt shall be plainly marked or stamped in ink across the face with the word "canceled," together with the name of the

manager cancelling the same, and shall thereafter be void and shall not again be put into circulation.

Sec. 28. A negotiable receipt issued against goods or products stored in a warehouse under this act shall be negotiable and transferable by endorsement in blank or by special endorsement and delivery in the same manner and to the same extent as bills of exchange and promissory notes now are, without any other formality; and the transferee or holder of such warehouse receipt shall be considered and held as an actual and exclusive owner to all intents and purposes of the property therein described, subject only to the lien and privilege of the warehouse for storage, insurance and other warehouse charges; provided, however, that all such warehouse receipts that shall have the words non-negotiable plainly marked or stamped on the face thereof shall be exempted from the provisions of this section.

Sec. 29. It shall be the duty of the board of supervisors to prescribe all the forms of receipts, certificates and records of whatsoever description necessary in the conduct of warehouses under this act; but all such receipts, certificates and forms shall be drawn in accordance with the terms of this act.

All warehouse receipts shall be of uniform character in the same class as prescribed by the board.

Sec. 30. The liabilities of a corporation chartered under this act shall be that of a public warehouseman, and it shall have the same rights as a public warehouseman, including a lien for storage, insurance and other warehouse charges, as well as for charges for any services performed by it, and the corporation shall also have a lien for all lawful claims for money advanced, interest, insurance, transportation, labor, weighing, cooperating and other charges and expenses in relation to such goods; and also all reasonable charges and expenses for notice and advertisement of sale of goods where sale has been made in satisfaction of the warehouseman's lien.

Sec. 31. A warehouseman's lien for a claim which has become due may be satisfied as follows:

The warehouseman shall give a written notice to the person on whose account the goods are held, and to any other person known by the warehouseman to claim an interest in the goods. Such notice shall be given by delivery in person or by registered letter addressed to the last known place of busi-

ness or abode of the person to be notified. The notice shall contain:

(a) An itemized statement of the warehouseman's claim, showing the sum due at the time of the notice and the date or date when it became due.

(b) A brief description of the goods against which the lien exists.

(c) A demand that the amount of the claim, as stated in the notice, and of such further claim as shall accrue, shall be paid on or before a day mentioned, not less than ten days from the delivery of the notice if it is personally delivered, or from the time when the notice should reach its destination, according to the due course of post, if the notice is sent by mail, and

(d) A statement that unless the claim is paid within the time specified the goods will be advertised for sale and sold by auction at a specified time and place.

In accordance with the terms of a notice so given, a sale of the goods by auction may be had to satisfy any valid claim of the warehouseman for which he has a lien on the goods. The sale shall be had in the place where the lien is acquired, or, if such place is manifestly unsuitable for the purpose, at the nearest suitable place. After the time for the payment of the claim specified in the notice to the depositor has elapsed, or advertisement of the sale, describing the goods to be sold and stating the name of the owner or person on whose account the goods are held, and the time and place of the sale, shall be published in a newspaper in the place where such sale is to be held. Such publication shall be for not less than two weeks prior to date of the sale, and no publication fee shall be charged in excess of the rate now allowed by statute for the publication of legal notices. The sale shall not be held less than fifteen days from the time of the first publication. If there is no newspaper published in such place, the advertisement shall be posted at least ten days before such sale in not less than six conspicuous places therein, one of which shall be at the courthouse of the county in which the warehouse is located.

From the proceeds of such sale the warehouseman shall satisfy his lien, including the reasonable charges of notice, advertisement and sale; the balance, if any, of such proceeds shall be held by the warehouseman, and delivered on demand to the person to whom

he would have been bound to deliver or justified in delivering the goods.

At any time before the goods are sold, any person claiming a right of property or possession therein may pay the warehouseman the amount necessary to satisfy his lien and to pay the reasonable expenses and liabilities incurred in serving notices and advertising and preparing for the sale up to the time of such payment. The warehouseman shall deliver the goods to the person making such payment if he is a person entitled, under the provision of this act, to the possession of the goods, on payment of charges thereon. Otherwise the warehouseman shall retain possession of the goods according to the terms of the original contract of deposit.

Sec. 32. Any member of the board of supervisors of warehouses who shall, during his term of office, engage in the business of warehouseman, commission merchant, cotton merchant or cotton broker, after entering upon the duties of his office, shall be guilty of a felony, and upon conviction shall be confined in the penitentiary for a period not less than one nor more than two years.

Sec. 33. Any officer, agent or servant of a corporation chartered under this act who issues or aids in issuing a receipt, knowing that the goods for which such receipt is issued have not been actually received by such corporation, or are not under its control at the time of issuing such receipt, shall be guilty of a felony, and upon conviction shall be punished for each offense by imprisonment in the State penitentiary for not exceeding three years, or by a fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 34. Any officer, agent or servant of a corporation chartered under this act who fraudulently issues, or aids in fraudulently issuing a receipt for goods, knowing that it contains any false statement other than that described in Section 33 of this act, shall be guilty of a felony, and upon conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding two years, or by fine not exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 35. Any officer, agent or servant of a corporation chartered under this act who issues or aids in issuing a duplicate or additional negotiable receipt for goods, knowing that a former negotiable receipt for the same goods, or any part of them, is outstanding and uncanceled,

celed, without plainly placing on the face thereof the word "duplicate," as provided for in the case of a lost or destroyed receipt, shall be guilty of a felony, and upon conviction shall be punished for each offense by confinement in the State penitentiary for any period of time not exceeding two years, or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 36. Where there are deposited with or held by a corporation chartered hereunder goods owned by it, either solely or jointly, or in common with others, then any of its officers, agents or servants, who, knowing its ownership, issue or aids in issuing a negotiable receipt for such goods which does not state such ownership, shall be guilty of a felony, and upon conviction shall be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding one year, or by a fine not exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 37. Any officer, agent or servant of a corporation chartered hereunder who delivers goods out of the possession of such corporation, knowing that a negotiable receipt, the negotiation of which would transfer the right to the possession of such goods, is outstanding and uncanceled, without obtaining possession of such receipt at or before the time of such delivery shall, except in cases of lost or destroyed receipts, be guilty of a felony and upon conviction shall be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding one year, or by fine not exceeding one thousand dollars, or by both such fine and imprisonment.

Sec. 38. Any person who deposits goods with a corporation chartered hereunder, to which he has no title, or upon which there is a lien or mortgage, and who takes for such goods a negotiable receipt, which he afterwards negotiates for value with intent to defraud, without disclosing his want of title or the existence of the lien or mortgage, shall be guilty of a felony, and upon conviction shall be punished for each offense by imprisonment in the State penitentiary for any period of time not exceeding two years, or by fine not exceeding five thousand dollars, or by both such fine and imprisonment.

Sec. 39. Any person who wilfully and knowingly violates any of the provisions of this act for which a penalty is not otherwise provided, or who wilfully and

knowingly does any act or thing prohibited by this act, for which no other penalty is herein provided, or who wilfully and knowingly fails to do any act or thing herein required of him by the provisions of this act and for which no other penalty is herein provided, shall be deemed guilty of a misdemeanor, and upon conviction shall be punished by fine not exceeding one thousand dollars, or by confinement in the county jail for any period of time not exceeding one year, or by both such fine and imprisonment.

Sec. 40. Any ginner or any agent, servant or employe of the corporation conducting the business of ginning cotton under the terms and provisions of this act, who shall knowingly and wilfully fail to take three true and correct samples of each bale of cotton ginned by him, as provided for in this act, and to preserve and label the same as provided for in this act, or who knowingly and wilfully takes and preserves untrue, unfair and incorrect samples of any bale of cotton ginned by him, or who knowingly and wilfully mislabels any samples of cotton taken by him under the terms and provisions of this act, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not to exceed five hundred dollars.

Sec. 41. Each and every ginner and any officer, servant or employe of a corporation, person or gin company, conducting the gin business under the provisions of this act, who shall wilfully and knowingly plate a bale of cotton, which is to say, who shall wilfully and knowingly place on the outside of said bale a better grade and quality of cotton than on the inside of said bale, for the purpose of deceiving, shall be guilty of a felony and upon conviction shall be punished by confinement in the State penitentiary for any period of time not exceeding two years, or by fine of not exceeding five thousand dollars, or by both such fine and imprisonment, and each and every purchaser, or agent thereof, who knowingly and wilfully takes a sample from any bale of cotton on which a purchase is made and said sample is not a true and correct one, shall be guilty of a misdemeanor and shall upon conviction be punished by a fine not less than one hundred (\$100) dollars nor more than three hundred (\$300) dollars.

Sec. 42. All existing warehouses incorporated under the laws of Texas may amend their charters so as to conform

their corporate rights and privileges to the terms and provisions of this law and be permitted to operate under this law; but when they do so they shall in all respects conform to the provisions of this act both in reference to the manner of conducting their business and the manner of distributing their assets to the end that such corporation shall be mutual corporations similar to those created under this act.

The landlord's lien on cotton shall continue so long as the cotton is on storage in any warehouse, whether the same be a warehouse operated under this act, or a private warehouse, provided a negotiable receipt has not been issued therefor.

Sec. 43. The authority vested by law in the Commissioner of Insurance and Banking with reference to public warehouses shall hereafter be vested in the board of supervisors of warehouses, and all duties heretofore required of the Commissioner of Insurance and Banking with reference to warehouses shall be performed by the board; provided, however, that this section does not apply to the law passed by this session of the Legislature, authorizing the Commissioner of Insurance and Banking to establish State warehouses throughout the State, as an emergency measure.

Sec. 44. There is hereby appropriated, out of any funds in the Treasury not already appropriated, the sum of thirty thousand (\$30,000) dollars, or so much thereof as may be necessary, for paying the cost and expenses of administering this act for the term ending August 31, 1915; a sum equal to all collections made for examinations by warehouse examiners are likewise appropriated for the same purpose and for the same period of time.

Sec. 45. If any particular section or part of any section of this act shall be held to be unconstitutional such holding shall not invalidate any other portion thereof.

Sec. 46. The board of supervisors shall have the power one year after this act takes effect to provide the character of bagging to be used in the baling of cotton.

Sec. 47. The importance of the legislation proposed in this act, and the fact that the present session of the Legislature must expire by law within a few days, renders it impossible that this bill can be read on three several days in each house, and thereby creates an emergency and an imperative public necessity that the constitutional rule re-

quiring bills to be read on three several days in each house be suspended, and the said rule is so suspended, and that this act take effect from and after its passage, and it is so enacted.

Except that Sections 4, 5 and 6 hereof shall become operative on and after June 1, 1915.

The report of the committee was read, recommending a substitute bill, and

Senator Wiley called for the reading of the substitute bill in full.

Pending the reading of the report, Senator Clark moved that the Senate recess until 2:30 o'clock today, but the motion was lost.

#### RECESS.

Pending further reading of the report, Senator McNealus, at 12 o'clock noon, moved that the Senate recess until 2:30 o'clock today, which motion was adopted.

#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Warren.

#### HOUSE CONCURRENT RESOLUTION NO. 9.

Senator McNealus here moved that H. C. R. No. 9 be recalled from the Committee on Agricultural Affairs, the resolution having been recommitted to that committee on yesterday with the request that a report be made by 4 o'clock yesterday afternoon.

Senator Watson moved, as a substitute, that resolution be recalled from Committee on Agricultural Affairs and referred to Committee on Congressional Districts.

Senator McNealus moved to table the substitute motion, which motion to table was lost.

The substitute motion was then adopted.

#### HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 22, 1914.  
Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has adopted the Conference Committee re-

port on H. B. No. 4 by the following vote: Yeas 87, nays 10.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

### HOUSE BILL NO. 18.

(By Unanimous Consent.)

The Chair laid before the Senate, on second reading,

H. B. No. 18, A bill to be entitled "An Act to amend Article 5477 of the Revised Civil Statutes of the State of Texas, relating to the landlord's lien so as to provide that such lien as to agricultural products, when stored in public or bonded warehouses regulated and controlled by the laws of the State of Texas, shall continue so long as such products remain in such warehouses, and declaring an emergency."

The committee report with (committee) amendments was adopted.

The Senate rule requiring committee reports to lie over one day was suspended for the purpose of considering this bill by the following vote:

Yeas—21.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Taylor.
Collins.	Terrell.
Cowell.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Wiley.
Hudspeth.	

Present—Not Voting.

McNealus.

Absent.

Darwin.	Johnson.
Harley.	Willacy.

Absent—Excused.

Astin.	Real.
Conner.	Westbrook.
Henderson.	

Bill read second time and passed to third reading.

On motion of Senator Collins, the constitutional rule requiring bills to be read on three several days was suspended, and the bill put on its third reading and final passage by the following vote:

Yeas—22.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Clark.	Nugent.
Collins.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Hall.	Watson.
Hudspeth.	Wiley.

Absent.

Darwin.	Johnson.
Harley.	Willacy.

Absent—Excused.

Astin.	Real.
Conner.	Westbrook.
Henderson.	

The bill was read third time and passed by the following vote:

Yeas—21.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Taylor.
Collins.	Terrell.
Cowell.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Wiley.
Hudspeth.	

Present—Not Voting.

McNealus.

Absent.

Darwin.	Johnson.
Harley.	Willacy.

Absent—Excused.

Astin.	Real.
Conner.	Westbrook.
Henderson.	

Senator Collins moved to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion to table prevailed.

### HOUSE BILL NO. 4.

Consideration of the report of the Free Conference Committee on H. B. No. 4 was resumed. Reading of the report was resumed, and by request certain sections were read and the reading of the balance was dispensed with.

The report was then adopted by the following vote:

## Yeas—19.

Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	Morrow.
Collins.	Nugent.
Cowell.	Taylor.
Gibson.	Terrell.
Greer.	Townsend.
Hall.	Warren.
Harley.	Watson.
Hudspeth.	

## Nays—3.

Clark.	Wiley.
McNealus.	

## Absent.

Bailey of DeWitt.	Johnson.
Darwin.	Willacy.

## Absent—Excused.

Astin.	Real.
Conner.	Westbrook.
Henderson.	

Senator Terrell moved to reconsider the vote by which the report was adopted and table that motion to table.

The motion to table prevailed.

## SENATE BILL NO. 11.

The Chair laid before the Senate, as special order,

S. B. No. 11, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling, or operating a cotton seed mill, and of owning, controlling same," etc.

## PRESIDENT PRO TEM.—ELECTION OF.

The election of a President Pro Tem. being the next order of business,

Senator Bailey of DeWitt placed in nomination for that place Senator Gibson of Fannin county.

Senator Collins placed in nomination for that place Senator Taylor of Bell county.

There being no other nominations, the Chair declared nominations closed, and directed the Senators to cast their ballots.

Senators Morrow, Clark and Harley were appointed as tellers.

Senator Gibson received 12 votes.

S2-17

Senator Taylor received 9 votes.

Senator Gibson having received a majority of all the votes cast, the Chair declared him the duly and constitutionally elected President Pro Tem. of the Senate.

Senators Hudspeth, Cowell and Terrell were appointed as a committee to escort Senator Gibson to the President's stand, whereupon the constitutional oath of office was administered him by President Pro Tem. Warren.

(President Pro Tem. Gibson presiding.)

## NOTIFICATION COMMITTEES.

Senator Carter moved that a committee of three each be appointed to notify the Governor and House that the Senate had completed its labors and was ready to adjourn, which motion was adopted, and the Chair appointed the following committees:

To notify the Governor: Senators Carter, Brelsford and Bailey of DeWitt.

To notify the House: Senators Hudspeth, Bailey of Harris and Nugent.

Each of the above committees performed their duties and made due report.

## HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 22, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House concurs in Senate amendments to H. B. No. 18.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

## HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, September 22, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate:

Sir: I am directed by the House to inform the Senate that the House has passed the following resolution:

S. C. R. No. 8, Sine die resolution, with amendments.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.



### SENATE CONCURRENT RESOLUTION NO. 8.

Senator Watson called up S. C. R. No. 8, providing for sine die adjournment at noon today, with the House amendments. The House amendments provided for adjournment at 4:45 o'clock today.

On motion of Senator Watson, the amendment was concurred in.

### COMMITTEE FROM HOUSE.

At 4:40 o'clock a committee from the House appeared at the bar of the Senate and announced that the House had completed its labors and was now ready to adjourn.

### MESSAGE FROM THE GOVERNOR.

Here the Private Secretary to the Governor appeared at the bar of the Senate and delivered the following message:

Governor's Office,  
State of Texas.

Austin, September 22, 1914.

To the Senate and House of Representatives:

Your committees appointed to wait upon the Governor and notify him that the two houses had agreed upon an hour for sine die adjournment, and are about to adjourn, have been received. They also notified me that the two houses were ready to receive any communication which I cared to transmit to them.

In pursuance of this notification, I submit herewith proclamation of the Governor again convening the Thirty-third Legislature in extra session, at the hour and date named therein, for the consideration of the subject presented in the proclamation.

Respectfully submitted,

O. B. COLQUITT,  
Governor of Texas.

### GOVERNOR'S PROCLAMATION.

Austin, Texas, September 22, 1914.

Whereas, Extraordinary conditions make it advisable to convene the Legislature at the seat of government in special session to consider matters for the public good.

Now, therefore, It being desirable to

conserve the financial resources of the State of Texas to meet emergencies; to protect the producer and the business interests of the State generally, to increase the income to the public school fund and to provide additional safe investments for the public school fund of Texas and to utilize the assets of said fund for said public purposes, and by virtue of the authority vested in the Governor by the Constitution of the State of Texas, I hereby call an extra session of the Thirty-third Legislature to convene at the Capitol in the city of Austin, beginning at 10 a. m., Wednesday, September 23, 1914, for the following purposes, to-wit:

1. The passage of an act to establish "The Bank of Texas" and define the purpose and method of its organization, its rights, privileges, duties and liabilities: the object and purpose of the act being to provide a fiscal agency for the State, its counties, municipal corporations and all districts heretofore or hereafter created, with the power to levy and collect taxes and issue bonds or to extend the public funds, to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, find a ready and sufficient market for bonds and other obligations, obtain cash against unmaturred and uncollected tax levies, and, generally, to furnish an agency of sufficient capital and authority to maintain the financial affairs of the State and its various governmental agencies in a sound and efficient manner: to furnish a safe and lucrative investment for the permanent school fund of the State with a definite and certain return; to enable the holders of all school warrants drawn against the available school fund, uncollected at the time of their issuance, to obtain cash thereon without discount thereof; to provide a reserve bank in aid of the general banking system of the State; to assist in maintaining the solvency of the banks chartered in the State of Texas and to preserve intact the depositors' guarantee fund; to prevent the sacrifice of a large part of the products of the industry now impending and due to calamities and exigencies of war; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values maintained; to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be is-

sued by the national government or other relief in the issuance of money or currency made by the national government or authorized to be made by it; to preserve the normal business conditions of the State against the present disturbances brought about by the wars on the continent of Europe and to guard against the repetition of like disturbances due to that or any other cause; and, generally, to preserve the credit and industrial and financial integrity of the State; setting forth in detail how these purposes and the organization of the bank may be accomplished; conferring certain authority on the Board of Education as an organization committee of the bank; fixing the capital of the bank and how the same shall be paid in, and from whence derived; prescribing that the capital of the bank shall consist of the face value of the principal of municipal or other bonds now held by the permanent school fund of the State of the approximate amount of \$17,800,000 and such additional amounts as may be subscribed and paid in by member banks under the provisions of the act; defining the powers and authority of The Bank of Texas; requiring every banking corporation chartered under the laws to become a member of The Bank of Texas within a period of fifteen months and defining the terms under which such corporations may become members; prescribing a board of directors for the government and management of The Bank of Texas and defining their authority; defining the rights and privileges of a member bank for the Bank of Texas and authorizing the admission of national banks as members; setting forth in detail the power and authority of The Bank of Texas as a corporation and stating in what business it may engage; providing that The Bank of Texas shall be the fiscal agent of the State and depository of all general and special funds which may under the Constitution be placed in the depository, and defining its privileges and rights and liabilities as such; providing that The Bank of Texas shall be governed by the general banking laws, civil and criminal, of the State except in those portions in conflict with this act: providing when The Bank of Texas shall begin operation, defining the authority of the organization committee, and authorizing the organization committee composed of the Board of Education to organize The Bank of Texas and to incur necessary expense for such purpose, making an appropria-

tion therefor, and declaring an emergency.

2. To consider and act upon such other matters as may be presented by the Governor, pursuant to Section 40, Article 3, of the Constitution of Texas.

In testimony whereof, I hereunto sign my name and affix the seal of State, at Austin, Texas, this the 22d day of September, A. D. 1914.

O. B. COLQUITT,

(Seal.) Governor of Texas.

By the Governor:

F. C. WEINERT,  
Secretary of State.

### SIMPLE RESOLUTION.

By Senator Collins:

Resolved, That the Senate extend to Senator R. L. Warren our sincere thanks for the able, fair and impartial manner in which he has presided over the deliberations of this body during the session just closed.

Signed—Astin, Bailey of DeWitt, Bailey of Harris, Brelsford, Carter, Clark, Collins, Conner, Cowell, Darwin, Gibson, Greer, Hall, Harley, Henderson, Hudspeth, Johnson, Lattimore, McGregor, McNealus, Morrow, Nugent, Real, Taylor, Terrell, Townsend, Watson, Westbrook, Wiley, Willacy.

On motion of Senator Taylor, the resolution was adopted by a rising vote.

### BILLS SIGNED.

The Chair (President Pro Tem. Warren) gave notice of signing, and did sign, in the presence of the Senate, after their captions had been read, the following bills:

S. B. No. 12, "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank, and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank, and stating how and in what manner and where such reserve shall be maintained; prescribing

that State banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State banking corporations which become members of a Federal reserve bank to conform to the Federal law as now or hereafter enacted and all rules and regulations promulgated relative thereto by lawful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State banks becoming members of a Federal reserve bank shall be required to conform to the provisions of law imposed upon national banks respecting limitations of liability and prohibitions against making purchases of or loans on stock of such banks and, to withdrawal or impairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal Reserve Board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions, and defining the terms of such discount; prescribing that the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or other liquidating agency appointed; prescribing a limitation on loans which may be made to any individual, corporation, company or firm by a banking corporation chartered under the laws of this State; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State; prescribing the amount of indebtedness which may be created by a banking corporation chartered under the

laws of this State, and declaring an emergency."

Free Conference Committee Substitute for H. B. No. 4, the permanent warehouse bill.

Signed by President Pro Tem. Gibson:

H. B. No. 18, "An Act to amend Article 5477 of the Revised Civil Statutes of the State of Texas relating to the landlord's lien so as to provide that such lien as to agricultural products, when stored in public or bonded warehouses regulated and controlled by the laws of the State of Texas, shall continue so long as such products remain in such warehouses, and declaring an emergency."

#### SINE DIE ADJOURNMENT.

The Chair (President Pro Tem. Gibson) here announced that the hour fixed by concurrent action of both houses for final adjournment of the Second Called Session of the Thirty-third Legislature having arrived, he pronounced the Senate adjourned sine die.

#### APPENDIX.

#### COMMITTEE REPORTS.

(Floor Report.)

Austin, Texas, September 21, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Judiciary Committee No. 1, to whom was referred

H. B. No. 18, A bill to be entitled "An Act to amend Article 5477 of the Revised Civil Statutes of the State of Texas relating to the landlord's lien so as to provide that such lien as to agricultural products, when stored in public or bonded warehouses regulated and controlled by the laws of the State of Texas shall continue so long as such products remain in such warehouses, and declaring an emergency."

Have had the same under consideration, and beg leave to report the same back to the Senate with the recommendation that it do pass, and be not printed, with amendment that the words, "and thirty days thereafter," be stricken out wherever they occur in the bill.

Morrow, Chairman; Carter, Lattimore, Brelsford, Wiley, Greer, Hudspeth, Watson.

Committee Room,

Austin, Texas, September 22, 1914.

Hon. Robt. L. Warren, President Pro  
Tem. of the Senate.

Sir: Your Committee on Enrolled  
Bills have carefully compared Senate  
bill No. 12, and find it correctly enrolled,  
and have this day, at 10:30 o'clock a.

m., presented same to the Governor for  
his approval.

GIBSON, Chairman.

[Note.—Since the Free Conference  
Committee report on S. B. No. 12 was  
the full bill, and appears in yesterday's  
Journal, the full bill, as provided for in  
the joint rules, does not appear here.]



# SENATE AND HOUSE BILLS AND CONCURRENT RESOLUTIONS--HISTORY OF IN SENATE.

## SENATE BILLS, HISTORY OF IN THE SENATE (In Numerical Order).

(Note.—First number following subject matter indicates page where introduced, read first time and referred to committee.)

1. By Senator Wiley: Relating to public cotton warehouses, 4.—Ordered printed in Journal, 24.—Bill in full, 25.—Reported, favorable majority, with amendment and adverse minority, 57.—Read second time, amended, pending, 60, 61, 62.—Taken up, pending, 82, 83, 87, 93.—Ordered engrossed, 94.—Refused to take up on third reading, 97.—Reported engrossed, 109.—Read third time and passed, 120.

2. By Senator Willacy: Making appropriation for mileage and per diem Second Called Session, Thirty-third Legislature, 4.—Reported favorably and be not printed, 11.

3. By Senator Willacy: Making appropriation for contingent expenses for Second Called Session Thirty-third Legislature, 4.—Reported favorably, be not printed, 10.—Constitutional rule suspended; Senate rule suspended; committee report adopted; read second time and ordered engrossed; constitutional rule suspended; read third time and passed, 7.—Reported engrossed, 11.—Received from House with amendments, 9.—House amendments concurred in, 9.—Signed, 10.—Reported enrolled, 40.

4. By Senator Collins et al.: Providing for emergency cotton warehouse measure, 38.—Ordered printed in Journal, 40.—In full, 49.—Reported, favorable majority, with amendments and adverse minority 62, 63.—Referred back to the calendar, 120.

5. By Senator Wiley: Providing a Department of Co-operative Cotton Marketing, 38.—Ordered printed in Journal, 40.—In full, 41.—Reported favorably, be not printed, 58.—Ordered printed, 91.—Read second time, amended, pending, 125, 126.—Taken up, amended; ordered engrossed; constitutional rule suspended;

read third time and passed, 189, 190, 191.—Reported engrossed, 204.

6. By Senator Astin: To establish a cotton warehouse system, 56.—Reported favorably, to be printed in the Journal, 88.—Motion to take up lost, 121.—Read second time, amended, pending, 121.—Motion made to recommit, 124.

7. By Senator Lattimore: To authorize the appointment of State weighers and graders of cotton in public warehouses; emergency measure, 59.—Ordered printed in Journal, 67.—Reported favorably, 75.—Made special order for September 23, 121.—Motion to make bill special order reconsidered and date changed to September 22.

8. By Senator Gibson, by request: Permanent warehouse measure, 59.—Reported favorably, 109.

9. By Senator Darwin: Amending present statute relative to warehouses, 60.—Ordered printed in Journal, 64.—Reported favorably, 75.—Read second time, amended, pending, 94.—Taken up, amended, ordered engrossed, 98-106.—Vote by which bill ordered engrossed reconsidered, pending amendment tabled, read second time, ordered engrossed, constitutional rule suspended, read third time and passed, 120.—See statement by Chair relating to, 125.—Reported engrossed, 127.—Received from House with substitute for bill, 241.—Referred to committee, 241.

10. By Senator Carter: To prohibit the operation of a corporation for the purpose of owning, controlling or operating a cotton seed oil mill in connection with a public gin, known as the cotton oil mill divorcement bill, 92.—Ordered printed, 95.—Read second time, amended, pending, 129, 130, 139.—Taken up, amended, ordered engrossed, 152, 153.—Reported engrossed, 162.—Read third time, engrossment vote reconsidered; amended, ordered engrossed, 155, 156, 157, 158.—Reported engrossed, 172.—Read third time and passed, 167.—Received from House with amendments, 220.—Senate refuses to concur in House

amendments and requests Free Conference Committee, 226.—House reports granting request and appoints committee, 226.—House reports change in committee, 228.—Report of committee on part of Senate, 242.—Committee discharged, 242.

11. By Senator Clark: To prohibit any person owning stock in a cotton oil mill from owning any character of interest in a public gin, 138.—Reported favorably, 149.—Read second time, amended, pending, 170.—Taken up and postponed, 189.—Taken up, amended, pending, 192.—Taken up, amended, and further consideration of same postponed until September 22, 197, 198, 199, 200.—Taken up, 257.

12. By Senator Bailey of DeWitt et al.: Amending the State banking law so as to permit State banks to become members of and participate in the Federal emergency currency law, 138.—Reported favorably, 149.—Read second time, amended, pending, 159.—Taken up, amended, 164, 165, 167.—Ordered engrossed; constitutional rule suspended; read third time and passed, 167.—Reported engrossed, 197.—Received from House with amendments, 204.—Senate refuses to concur in House amendments and requests Free Conference Committee, 215.—House reports appointment of Free Conference Committee, 220.—Report of committee, 229.—Report adopted by Senate, 234.—House reports adoption of report, 241.—Signed, 259.—Reported engrossed, 261.

13. By Senators Hudspeth and McNealus: To provide for the amending of the Penal Code of the State relating to forged instruments, 155.

14. By Senator Hudspeth et al.: Providing for the establishment of "The Bank of Texas," 193.—Reported favorably, 202.—Read second time, amendment offered and consideration of same postponed, 228.—Taken up, amended, pending, 240.

15. By Senator Conner et al.: Amending Revised Statutes relating to landlord's lien on agricultural products stored in bonded warehouses, 202.—Reported favorably, be not printed, 220.—Read second time, amended, pending, 223.—Taken up, ordered engrossed, constitutional rule suspended; read third time and passed, 225.—Reported engrossed, 241.

## SENATE CONCURRENT RESOLUTIONS, HISTORY OF IN SENATE (In Numerical Order).

(Note.—First number following subject matter indicates page where introduced, read first time and referred to committee, if referred.)

1. By Senator Bailey of DeWitt: Proposing to invite Hons. W. D. Lewis, H. N. Pope, E. R. Kone and Peter Radford to address joint session of the Legislature relative to harvesting, storing and marketing cotton, 22.—Read, substitute adopted in lieu of original and adopted, 22, 23, 24.

2. By Senator Hudspeth: Requesting Governor to submit for consideration by the Legislature subject of making appropriation for money to have the Capitol building renovated and cleaned, 59.—Read and adopted, 59.—Received from House with amendments, 83.—House amendments concurred in, 83.—Signed, 86.—Reported enrolled, 97.

3. By Senator Westbrook: Requesting the Governor to submit subject, for legislation, to suspend payment of debts for 120 days, 85.—Substitute offered for and both substitute and resolution tabled, 85.

4. By Senators Wiley and Darwin: Endorsing the buy-a-bale movement in Texas suggesting that members of the Legislature buy a bale of cotton and giving general encouragement to the movement, 110.—Read, amended and adopted, 111.—Received from House, 124.

5. By Senator Gibson: Providing for sine die adjournment Wednesday, September 17, 12 o'clock m., 123.—Read and lost, 123.

6. By Senator Johnson: Providing for sine die adjournment Saturday, September 19; at 12 o'clock noon, 183.—Laid on table subject to call, 183.

7. By Senator Wiley et al.: Arranging procedure for the remainder of this session of the Legislature, 183.—Read and adopted, 183.—Amended eliminating House of Representatives concurring, 183.—As simple resolution, vote by which it was adopted reconsidered, and resolution tabled, 188.

8. By Senator Johnson: Fixing Tuesday, September 22, 12 o'clock noon, for sine die adjournment.—Read, amended and adopted, 221.—Received from House

with amendment, 257.—Senate concurred in amendment, 258.

# SIMPLE RESOLUTIONS — HISTORY OF.

(Note.—First number following subject matter indicates page where introduced, read and referred or adopted, as the case may be.)

By Senator Watson: Requesting an opinion from the Attorney General's Department relative to the resignation of Lieutenant Governor Mayes, 2.—Laid before the Senate, 3.

By Senator Terrell: Memorial resolution relating to the late A. M. Kennedy, 2.—Memorial page, 5.

By Senators Brelsford and Willacy: Expressing thanks to retiring President Pro Tem. Collins, 3.—Read and adopted, 3.

By Senator Willacy: Providing for organization of Senate, 3.—Read and adopted, 3.

By Senator Westbrook: Relating to hours of duty of stenographers and employees, 6.—Read and tabled, 6.

By Senator Gibson: Providing for newspaper subscriptions, 24.—Read and adopted, 24.

By Senator Wiley: Providing for addition to Committee to Commerce and Manufactures, 24.—Read, amended and adopted, 24.

By Senator McNealus: Providing for additional stenographic assistance; adopted, 37.

By Senator McGregor: Requesting Congress to take action on certain bills relating to public health; adopted, 37.

By Senator Westbrook: Relating to distribution of Senate Journals, 40.—Adopted, 57.

By Senator Hudspeth et al.: Inviting ex-Senator Ratliff to address the Senate; adopted, 59.

By Senator Cowell: Relating to consideration of warehouse bills by Committee of the Whole, 74.—Read, amended and adopted, 74.

By Senator Clark: Relating to fans in Senate Chamber; adopted, 74.

By Senator Taylor: Inviting Senator-elect Harris, of the Twenty-seventh District, to address the Senate; adopted, 74.

By Senator McNealus: Relating to consideration of warehouse bills; read and tabled, 75.

By Senator Lattimore: Providing postage for certain officers; adopted, 84.

By Senator Johnson: Inviting former Senator Decker to address the Senate; adopted, 86.

By Senator Willacy: Relating to and opposing law to defer payment of maturing paper; read and ordered printed in Journal, 112.—Read and adopted, 124.

By Senator Lattimore: Inviting Hon. W. A. Hanger to address the Senate; read and amended and adopted, 112.

By Senator Brelsford: Providing for appointment of stenographer; adopted, 123.

By Senator Bailey of DeWitt: Providing for extra copies of Senate bill No. 12; adopted, 148.

By Senator Hall et al.: Extending sympathy to President Wilson on account of death of Mrs. Wilson; adopted, 150.—Memorial page, 154.

By Senator McGregor: Relating to executive sessions, 151.—Referred to Committee on Rules, 151.—Adverse report, 162.

By Senator Collins: Providing for purchase of copies of Harris' Annotated Constitution; referred to Committee on Contingent Expenses, 164.—Adverse majority committee report and favorable minority report with amendment, 169.—Majority committee report adopted, 170.

By Senator Lattimore: Requesting Governor to submit notary appointments by certain time; adopted, 205.

By Senator Hudspeth et al.: Accepting portrait of Joanna Troutman as a gift from Governor Colquitt; adopted, 226.

By Senator Collins et al.: Extending thanks to retiring President Pro Tem. Warren; read and adopted, 259.



# HOUSE BILLS, HISTORY OF IN THE SENATE (In Numerical Order).

(Note.—First number following subject matter indicates page where introduced, read first time and referred to committee.)

1. Emergency cotton warehouse bill, 92.—Ordered printed in full in the Journal, 25.—Bill in full, 29.—Reported favorably with amendment, 96.—Read second time, amended, pending, 107.—Taken up, amended, 112, 113, 114, 115, 116.—Passed to third reading, constitutional rule suspended; read third time and passed, 117.—House reports refusal to concur in Senate amendments and requests Free Conference Committee, 124.—Senate grants request and elects committee, 124.—Report of Free Conference Committee, and adoption of, 139-148.—Signed, 161.

2. Providing for mileage and per diem Second Called Session Thirty-third Legislature, 6.—Received from House and referred, 6.—Reported favorably, to be not printed, 11.—Read second time; Senate rule suspended; committee report adopted, passed to a third reading; constitutional rule suspended; read third time and passed, 8.—Signed, 10.

4. Permanent cotton warehouse bill, 188.—Reported favorably, 197.—Read second time, amended, pending, 204.—Taken up, pending, 205, 206.—Taken up, amended, passed to a third reading, 210, 211, 212, 213, 214, 215.—Read third time, amended, and passed, 221.—House reports refusal to concur in Senate amendments and requests a Free Conference Committee, 223.—Senate grants request and elects committee, 224.—Report of committee, 242.—Report adopted, 256.—House reports adoption of report, 256.—Signed, 260.

10. Relating to corporations operating jointly cotton seed oil mills and cotton gins, known as the cotton oil mill divorcement bill, 189.

11. To regulate cotton oil mill corporations and public gin corporations, 221.

12. Amending Penal Code relating to forgery, 166.—Reported favorably, be not printed, 172.—Taken up; constitutional rule suspended; read second time; amended; passed to a third reading; constitutional rule suspended; read third time and passed, 168, 169.—House reports concurrence in Senate amendments, 180.—Signed, 194.

18. Amending Civil Statutes relating to landlord's lien on agricultural products stored in bonded warehouses, 228.—Reported favorably, 260.—Taken up, 242.—Read second time, Senate rule suspended, committee report adopted, passed to a third reading; constitutional rule suspended; read third time and passed, 256.—House reports concurrence in Senate amendments, 257.—Signed, 260.

## HOUSE CONCURRENT RESOLUTIONS, HISTORY OF IN SENATE (In Numerical Order).

1. Endorsing amendment of National bank laws, 9.—Read, amended and adopted, 39, 40.—House reports concurrence in Senate amendments, 57.

2. Inviting Hons. Clarence Ousley and J. S. Williams to address Legislature, 9.—Read and adopted, 9, 10.

4. Relating to the collection by consular agents of information concerning the manufacture of cotton goods, 61.—Reported favorably, 97.—Read and adopted, 152.—Signed, 194.

5. Requesting the Governor to submit additional subject of making certain appropriations, 61.—Reported favorably, be not printed, 196.—Recommended, 228.

6. Providing for paying claims for printing Journals of the Regular and First Called Sessions of the Thirty-third Legislature, 124.—Reported favorably, with amendment, 203.—Read and adopted, 205.—House reports concurrence in amendments, 205.—Signed, 241.

7. Relating to cotton being held free from contraband declaration, 98.

9. Requesting Congress to enact immediate legislation for relief of agricultural and commercial interests, 148.—Read and referred to committee, 152.—Report referred resolution back to House for correction, 152.—Received from House, 157.—Reported favorably, be printed in Journal, 195.—Refused to take up, 205.—Taken up, amended, and re-committed, 227, 228.—Rereferred, 255.

9a. Requesting Congress to use all possible haste in dealing with the cotton situation, 157.

10. Memorializing the Federal Reserve Board to hasten establishment of Federal reserve banks, 148.—Read, amended, and adopted, 151.—House reports concurrence in Senate amendments, 157.—Signed, 171.

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**JOURNAL**

**OF THE**

**SENATE OF TEXAS**

**OF THE**

**Third Called Session**

**OF THE**

**THIRTY-THIRD LEGISLATURE**

**Convened September 23, 1914, and Adjourned  
October 22, 1914**



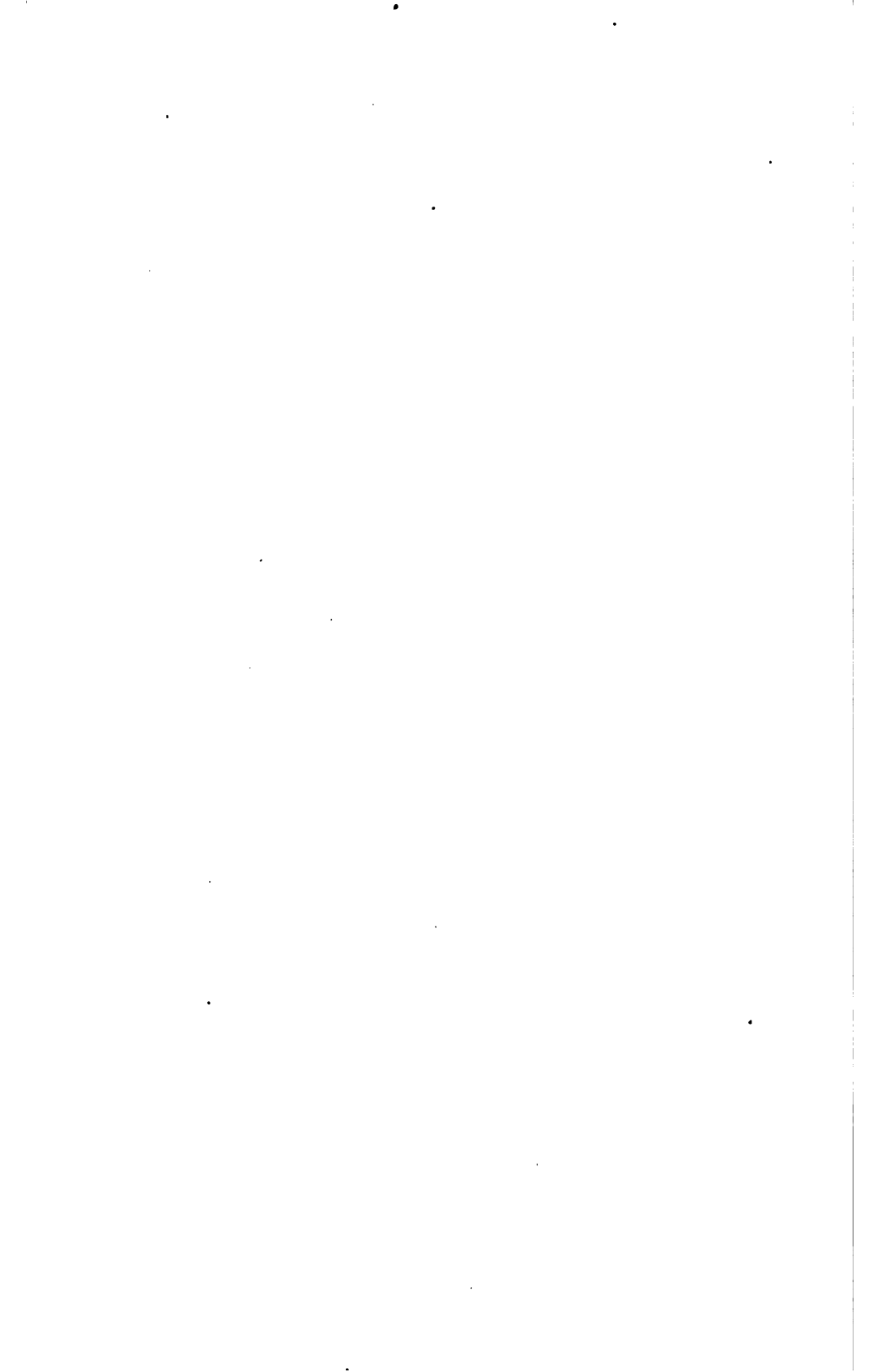
  
**AUSTIN, TEXAS:**  
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**1914**



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# SENATE JOURNAL.

THIRTY-THIRD LEGISLATURE—THIRD CALLED SESSION.

## FIRST DAY.

Senate Chamber,  
Austin, Texas,

Wednesday, September 23, 1914.

In obedience to the call of His Excellency, Hon. O. B. Colquitt, Governor of the State of Texas, convening the Thirty-third Legislature in Third Special Session this the 23d day of September, 1914, the Senate met in the Senate Chamber of the Capitol in the city of Austin, at 10 o'clock a. m., and was called to order by Senator F. M. Gibson, President Pro Tem. of the Senate, elected at the close of the Second Called Session of the Thirty-third Legislature.

## TEMPORARY ORGANIZATION.

The Chair announced the appointment of the following temporary officers:

Secretary, W. V. Howerton, of Travis county; Journal Clerk, R. M. Gilmore, of Van Zandt county; Sergeant-at-Arms, M. F. Hornbuckle, of Bosque county; Doorkeeper, Capt. E. I. Kellie, of Jasper county; Calendar Clerk, J. C. Stanberry, of Tarrant county.

The Chair directed the roll called, a quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	McNealus.
Clark.	Morrow.
Collins.	Nugent.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Hall.	Wiley.
Harley.	

Absent.

Astin.	Real.
Conner.	Warren.
Henderson.	Westbrook.
Johnson.	Willacy.

Prayer by Rev. H. M. Sears, of Austin.

S3—1

## PROCLAMATION BY THE GOVERNOR.

The following proclamation by the Governor, reconvening the Legislature in Special Session, read on yesterday, was directed printed here:

Austin, Texas, September 22, 1914.

Whereas, Extraordinary conditions make it advisable to convene the Legislature at the seat of government in special session to consider matters for the public good.

Now, Therefore, It being desirable to conserve the financial resources of the State of Texas to meet emergencies; to protect the producer and the business interests of the State generally, to increase the income to the public school fund and to provide additional safe investments for the public school fund of Texas and to utilize the assets of said fund for said public purposes, and by virtue of the authority vested in the Governor by the Constitution of the State of Texas, I hereby call an extra session of the Thirty-third Legislature to convene at the Capitol in the city of Austin, beginning at 10 a. m., Wednesday, September 23, 1914, for the following purposes, to wit:

1. The passage of an act to establish "The Bank of Texas" and define the purpose and method of its organization, its rights, privileges, duties and liabilities; the object and purpose of the act being to provide a fiscal agency for the State, its counties, municipal corporations and all districts heretofore or hereafter created, with the power to levy and collect taxes and issue bonds or to expend the public funds, to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, find a ready and sufficient market for bonds and other obligations, obtain cash against unmatured and uncollected tax levies, and generally to furnish an agency of sufficient capital and authority to maintain the financial affairs of the State and its various governmental agencies in a sound and efficient man-



ner; to furnish a safe and lucrative investment for the Permanent School Fund of the State with a definite and certain return; to enable the holders of all school warrants drawn against the available school fund, uncollected at the time of their issuance, to obtain cash thereon without discount thereof; to provide a reserve bank in aid of the general banking system of the State; to assist in maintaining the solvency of the banks chartered in the State of Texas and to preserve intact the depositors' guarantee fund; to prevent the sacrifice of a large part of the products of the industry now impending and due to calamities and exigencies of war; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values maintained; to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued by the national government or other relief in the issuance of money or currency made by the national government or authorized to be made by it; to preserve the normal business conditions of the State against the present disturbances brought about by the wars on the continent of Europe and to guard against the repetition of like disturbances due to that or any other cause; and generally, to preserve the credit and industrial and financial integrity of the State; setting forth in detail how these purposes and the organization of the bank may be accomplished; conferring certain authority on the Board of Education as an organization committee of the bank; fixing the capital of the bank and how the same shall be paid in, and from whence derived; prescribing that the capital of the bank shall consist of the face value of the principal of municipal or other bonds now held by the permanent school fund of the State of the approximate amount of \$17,800,000 and such additional amounts as may be subscribed and paid in by member banks under the provision of the act; defining the powers and authority of The Bank of Texas; requiring every banking corporation chartered under the laws to become a member of The Bank of Texas within a period of fifteen months and defining the terms under which such corporations may become members; prescribing a board of directors for the government and management of The Bank of Texas and de-

fining their authority; defining the rights and privileges of a member bank for The Bank of Texas and authorizing the admission of national banks as members; setting forth in detail the power and authority of The Bank of Texas as a corporation and stating in what business it may engage; providing that the Bank of Texas shall be the fiscal agent of the State and depository of all general and special funds which may under the Constitution be placed in the depository, and defining its privileges and rights and liabilities as such; providing that The Bank of Texas shall be governed by the general banking laws, civil and criminal, of the State except in those portions in conflict with this act; providing when The Bank of Texas shall begin operation, defining the authority of the organization committee, and authorizing the organization committee composed of the Board of Education to organize The Bank of Texas and to incur necessary expense for such purpose, making an appropriation therefor, and declaring an emergency.

2. To consider and act upon such other matters as may be presented by the Governor, pursuant to Section 40, Article 3, of the Constitution of Texas.

In testimony whereof I hereunto sign my name and affix the Seal of State, at Austin, Texas, this the 22nd day of September, A. D. 1914.

O. B. COLQUITT,  
Governor of Texas.

(Seal)  
By the Governor:  
F. C. WEINERT,  
Secretary of State.

#### PRESIDENT PRO TEM.—ELECTION OF.

The election of President Pro Tem. being in order,

Senator Nugent placed in nomination for that place Senator W. C. Morrow, of Hill county.

Senators Lattimore, Hudspeth and Terrell seconded the nomination of Senator Morrow.

There being no other nominations, the Chair declared nominations closed and requested the Senators to cast their ballots.

Senators Collins, Cowell and Bailey of Harris were appointed as tellers.

The ballot resulted as follows:

Senator Morrow received 19 votes.

Senator Townsend (not in nomination), received 1 vote.

Two blank ballots.

Senator Morrow, having received a majority of the votes, was declared duly and constitutionally elected President Pro Tem. of the Senate for the ensuing session.

Senators Nugent, Lattimore and Bailey of DeWitt were appointed a committee to escort Senator Morrow to the President's stand, whereupon the constitutional oath of office was administered him by President Pro Tem. Gibson.

President Pro Tem. Morrow was presented to the Senate by Senator Gibson, and, after thanking the Senate for the honor conferred upon him, called for the regular order of business.

(President Pro Tem. Morrow in the chair.)

#### COMMITTEE FROM HOUSE.

A committee from the House here appeared at the bar of the Senate and announced that the House was organized and ready for business.

#### ORGANIZATION RESOLUTION.

Senator Nugent offered the following resolution, providing for the election of officers:

Resolved, That the following officers and employes of the Senate be and they are hereby elected to the positions opposite their names:

W. V. Howerton, Secretary of the Senate; John D. McCall, Assistant Secretary of the Senate; R. M. Gilmore, Journal Clerk; T. H. Yarbrough, Assistant Journal Clerk; J. C. Stanberry, Calendar Clerk; Frank P. Smith, Engrossing Clerk; J. W. Shotwell, Enrolling Clerk; J. C. Son, Assistant Engrossing and Enrolling Clerk; E. I. Kellie, Doorkeeper; J. D. Eagan, Assistant Doorkeeper; M. F. Hornbuckle, Sergeant-at-Arms; J. A. Kenny, Assistant Sergeant-at-Arms; J. P. Hall, Second Assistant Sergeant-at-Arms.

Resolved, That the Secretary of the Senate be and he is hereby directed to cast the entire vote of the Senate for the election of the above officers.

Senator Gibson moved that the above be adopted, and the motion prevailed by the following vote, and which carried with it the election of the officers named therein:

Yeas—23.

Bailey of DeWitt. Carter.  
Bailey of Harris. Clark.  
Brelsford. Collins.

Cowell.  
Darwin.  
Gibson.  
Greer.  
Hall.  
Harley.  
Hudspeth.  
Lattimore.  
McGregor.

McNealus.  
Morrow.  
Nugent.  
Taylor.  
Terrell.  
Townsend.  
Watson.  
Wiley.

Absent.

Astin.  
Conner.  
Henderson.  
Johnson.

Real.  
Warren.  
Westbrook.  
Willacy.

All the above officers appeared at the bar of the Senate and were administered the constitutional oath of office.

#### SIMPLE RESOLUTION.

By Senator Nugent:

Resolved, That the list of stenographers or typewriters shall include all who were named or selected as stenographers at the Second Called Session, and provided that any Senator who named any stenographer or typewriter at the Second Called Session may name another stenographer to take the place of the one formerly named, and all names of such stenographers or typewriters shall be reported to the Journal Clerk.

Senator Townsend offered the following amendment, which was read and adopted:

Amend the resolution by adding that James Jones be elected as a page in lieu of Harvey Henry, resigned.

TOWNSEND,  
TERRELL.

I ask that the name of K. D. Smith be put in as my employe as stenographer to take place of Miss Marguerite Frye, being appointed by me at first of last called session, resigned.

DARWIN.

The resolution, as amended, was adopted.

#### SIMPLE RESOLUTION.

By Senator Nugent:

Be it resolved, That the salary of each officer and employe be fixed at the sum of \$5.00 per day, except the salary of the pages and porters, each of whom shall receive the sum of \$2.00 per day, and further except the Journal Clerk

and Secretary of the Senate, each of whom shall receive \$7.00 per day.

NUGENT,  
COLLINS,  
BAILEY of Harris,  
WATSON.

The resolution was read and adopted.

#### EXCUSED.

On account of important business:  
Senator Astin, for today and tomorrow, on motion of Senator Bailey of DeWitt.

#### NOTIFICATION COMMITTEES.

Senator Cowell moved that a committee of three be appointed to notify the Governor that the Senate was organized and ready for business, which motion was adopted.

The Chair appointed the following committee:

Senators Cowell, Carter and Bailey of DeWitt.

The following like committee to notify the House was appointed:

Senators Harley, McNealus and Greer.

#### SIMPLE RESOLUTION.

By Senator Nugent:

Resolved, That the following employes are hereby elected to serve the Senate during the Third Called Session of the Thirty-third Legislature in the position to which they are named:

Chaplain—Rev. H. M. Sears.

Postmistress—Mrs. Clyde D. Smith.

Mailing and Notarial Clerk—Will H. Mayes, Jr.

The resolution was read and adopted.

#### SIMPLE RESOLUTION.

By Senator Townsend:

Be it resolved by the Senate. That the State Librarian be and he is hereby requested to collate and assemble together in the State Library, for use of the members of the Legislature, all books, pamphlets and periodicals known to him affecting the bank bill introduced in the Legislature, known as the bill establishing The Bank of Texas. Be it further

Resolved. That the Secretary of the Senate furnish the State Librarian with a copy of this resolution.

Senator Hudspeth offered the following amendment to the resolution, which was read and adopted:

Amend by adding at the end of the resolution the following: "And that the Superintendent of Public Buildings and Grounds be requested to keep the Senate Chamber lighted until 12 o'clock every night during this session."

The resolution, as amended, was adopted.

#### SIMPLE RESOLUTION.

By Senator Harley:

Whereas, The number of Journals embodying the central Bank of Texas bill heretofore printed was inadequate to the demand of the Senate; therefore, be it

Resolved, That we have printed 500 copies of said bill in pamphlet form and distributed proportionately among Senators.

The resolution was read and adopted.

#### SIMPLE RESOLUTION.

By Senator Brelsford:

Be it resolved, That the Sergeant-at-Arms of the Senate be instructed to arrange at once for the installation of a long distance telephone booth in the lobby immediately at door of Senate Chamber, and that a page be assigned to said booth by the President of the Senate. All expense of said installation to be paid out of Senate contingent fund.

The resolution was read and adopted.

#### SIMPLE RESOLUTION.

By Senator Collins:

Resolved, That every member of the Senate be earnestly requested to remain in attendance upon the sessions hereof, that a quorum may be maintained that the Senate may perform the purposes of the Third Called Session at the earliest date possible.

COLLINS,  
MCNEALUS,  
HUDSPETH,  
WATSON,  
TOWNSEND.

The resolution was read, and Senator Bailey of Harris moved to table same, which motion was adopted.

## BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senators Westbrook, Hudspeth, Cowell, Willacy, Collins, Henderson, Taylor, Hall, Terrell, McNealus, Greer, Watson, Brelsford, Johnson, Warren:

S. B. No. 1, A bill to be entitled "An Act to establish 'The Bank of Texas,' and defining the purpose and method of its organization, its rights, privileges, duties and liabilities; the object and purpose of the act being to provide a fiscal agency for the State, its counties, municipal corporations and all districts heretofore or hereafter created, with the power to levy and collect taxes and issue bonds or to expend the public funds, to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, find a ready and sufficient market for bonds and other obligations, obtain cash against unmatured and uncollected tax levies, and generally, to furnish an agency of sufficient capital and authority, to maintain the financial affairs of the State and its various governmental agencies in a sound and efficient manner; to furnish a safe and lucrative investment for the Permanent School Fund of the State with a definite and certain return; to enable the holders of all school warrants drawn against the available school fund, uncollected at the time of their issuance, to obtain cash thereon without discount thereof; to provide a reserve bank in aid of the general banking system of the State; to assist in maintaining the solvency of the banks chartered in the State of Texas and to preserve intact the depositors' guaranty fund; to prevent the sacrifice of a large part of the products of the industry now impending and due to calamities and exigencies of war; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values be maintained; to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued by the national government or other relief in the issuance of money or currency made by the national government or authorized to be made by it;

to preserve the normal business conditions of the State against the present disturbances brought about by the wars on the continent of Europe and to guard against the repetition of like disturbances due to that or any other cause; and generally, to preserve the credit and industrial and financial integrity of the State; setting forth in detail how these purposes and the organization of the bank may be accomplished, conferring certain authority on the Board of Education as an organization committee of the bank, fixing the capital of the bank and how the same shall be paid in, and from whence derived; prescribing that the capital of the bank shall consist of the face value of the principal of municipal or other bonds now held by the permanent school fund of the State of the approximate amount of \$17,800,000 and such additional amounts as may be subscribed and paid in by member banks under the provisions of the act; defining the powers and authority of The Bank of Texas; requiring every banking corporation chartered under the laws to become a member of The Bank of Texas within a period of fifteen months and defining the terms under which such corporations may become members; prescribing a board of directors for the government and management of The Bank of Texas and defining their authority; defining the rights and privileges of a member bank for The Bank of Texas and authorizing the admission of national banks as members; setting forth in detail the power and authority of The Bank of Texas as a corporation and stating in what business it may engage; providing that The Bank of Texas shall be the fiscal agent of the State and depository of all general and special funds which may under the Constitution be placed in the depository, and defining its privileges and rights and liabilities as such, providing that The Bank of Texas shall be governed by the general banking laws, civil and criminal, of the State except in those portions in conflict with this act; providing when The Bank of Texas shall begin operation, defining the authority of the organization committee and authorizing the organization committee composed of the Board of Education to organize the Bank of Texas and to incur necessary expense for such purpose, making an appropriation therefor, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

## SIMPLE RESOLUTION.

By Senator Hudspeth:

Be it resolved by the Senate that each Senator be permitted to subscribe for five newspapers to be paid for out of the contingent expense fund of the Senate.

Senator Townsend offered the following amendment:

Amend the resolution by striking out "five" and insert in lieu thereof "two."

Senator Lattimore moved to table the amendment, which motion to table was adopted.

The resolution was then adopted.

## SIMPLE RESOLUTION.

By Senator Townsend:

I move that the presiding officer of the Senate be and he is hereby requested to add the names of all members of the Senate to Judiciary Committee No. 1 to enable all members of the Senate to hear the discussion of the bank bill and to participate therein.

The resolution was read, and

Senator Watson moved to table same, which motion to table was lost by the following vote:

Yeas—1.

Bailey of Harris,

Nays—20.

Bailey of DeWitt.	Harley.
Brelsford.	Lattimore.
Carter.	McGregor.
Clark.	McNealus.
Collins.	Morrow.
Cowell.	Nugent.
Darwin.	Taylor.
Gibson.	Terrell.
Greer.	Townsend.
Hall.	Wiley.

Absent.

Conner.	Warren.
Henderson.	Watson.
Hudspeth.	Westbrook.
Johnson.	Willacy.
Real.	

Absent—Excused.

Astin.

The resolution was then adopted.

## SIMPLE RESOLUTION.

By Senator Nugent:

Resolved, That the following named

stenographers, typewriters and clerks are hereby appointed to serve the Senate during the Third Called Session of the Thirty-third Legislature:

Miss Anne Howe, Miss Winnie Weddle, Miss Cassie D. Millhouse, Mrs. Nellie Shannon, Mrs. Mabel Kinzie, Miss T. H. Bell, Miss Daisy Reedy, Mrs. M. Morrison, Miss Eula Hurlock, Matt Wilson, Chas. A. Duff, W. H. Rather, Hayden Moore, Miss Azile Dierlam, Miss Nellie Lowdy, Miss Allye Smith, Austin McKinney, Miss Ada Bell, K. D. Smith, Miss Tynse Ragsdale, Miss Lila Fuller, Miss Mary Thompson, Miss Marie Scarbrough, Miss Mattie Jones, Miss Theodora Bell.

And such others that were elected or appointed at the Second Called Session not above named, and that any Senator who may have nominated a stenographer, typewriter or clerk may change such appointee for another by reporting such change to the Journal Clerk and provided the Journal Clerk will get from the payroll of the Second Called Session of the Senate the names of all such employes not hereinbefore named.

The resolution was read and adopted.

## ADJOURNMENT.

Senator Carter, at 11:45 o'clock a. m. moved that the Senate adjourn until 10 o'clock tomorrow morning, and,

Senator Terrell moved, as a substitute, that the Senate adjourn until 5 o'clock p. m. Saturday, September 26th, which motion was adopted by the following vote:

Yeas—12.

Bailey of DeWitt.	Lattimore.
Clark.	McGregor.
Cowell.	Morrow.
Darwin.	Taylor.
Greer.	Terrell.
Harley.	Wiley.

Nays—10.

Bailey of Harris.	Hudspeth.
Brelsford.	McNealus.
Carter.	Nugent.
Collins.	Townsend.
Hall.	Watson.

Absent.

Conner.	Real.
Gibson.	Warren.
Henderson.	Westbrook.
Johnson.	Willacy.

Absent—Excused.

Astin.

## SECOND DAY.

Senate Chamber,  
Austin, Texas,

Saturday, September 26, 1914.

The Senate met pursuant to adjournment and in the absence of President Pro Tem. Morrow, the Senate was called to order by the Secretary, W. V. Howerton.

The roll was called, no quorum present, the following Senators answering to their names:

Collins.	Darwin.
Conner.	Townsend.

Absent.

Astin.	Lattimore.
Bailey of DeWitt.	McGregor.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Real.
Cowell.	Taylor.
Gibson.	Terrell.
Greer.	Warren.
Hall.	Watson.
Harley.	Westbrook.
Henderson.	Wiley.
Hudspeth.	Willacy.
Johnson.	

## ADJOURNMENT.

On motion of Senator Collins, the Senate adjourned until to morrow morning at 9 o'clock.

## THIRD DAY.

Senate Chamber,  
Austin, Texas,

Sunday, September 27, 1914.

The Senate met pursuant to adjournment and in the absence of President Pro Tem. Morrow, the Senate was called to order by the Secretary, W. V. Howerton.

The roll was called, no quorum present, the following Senators answering to their names:

Collins.	Darwin.
Conner.	Townsend.

Absent.

Astin.	Brelsford.
Bailey of DeWitt.	Carter.
Bailey of Harris.	Clark.

Cowell.  
Gibson.  
Greer.  
Hall.  
Harley.  
Henderson.  
Hudspeth.  
Johnson.  
Lattimore.  
McGregor.  
McNealus.

Morrow.  
Nugent.  
Real.  
Taylor.  
Terrell.  
Warren.  
Watson.  
Westbrook.  
Wiley.  
Willacy.

## ADJOURNMENT.

On motion of Senator Townsend, the Senate adjourned until 10 o'clock tomorrow morning.

## FOURTH DAY.

Senate Chamber,  
Austin, Texas,

Monday, September 28, 1914.

The Senate met pursuant to adjournment, and in the absence of President Pro Tem. Morrow, the Senate was called to order by the Secretary, W. V. Howerton.

The roll was called, no quorum present, the following Senators answering to their names:

Collins.	McGregor.
Conner.	Terrell.
Darwin.	Townsend.
Greer.	Watson.
Lattimore.	Westbrook.

Absent.

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Clark.	Real.
Cowell.	Taylor.
Gibson.	Warren.
Hall.	Wiley.
Harley.	Willacy.
Henderson.	

## ADJOURNMENT.

There being no quorum present, Senator Townsend moved that the Senate adjourn until 10 o'clock tomorrow morning and that the Secretary be instructed to wire the absentees that their attendance is urged.

The motion prevailed.

## FIFTH DAY.

Senate Chamber,  
Austin, Texas,

Tuesday, September 29, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	McGregor.
Bailey of Harris.	McNealus.
Collins.	Morrow.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Hall.	Westbrook.
Hudspeth.	Wiley.
Lattimore.	Willacy.

## Absent.

Brelsford.	Henderson.
Carter.	Johnson.
Clark.	Nugent.
Harley.	Warren.

## Absent—Excused.

Bailey of DeWitt.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Terrell.

## EXCUSED.

Pending several motions to excuse absentees on last Saturday, Sunday and yesterday, Senator Taylor moved that all absentees on those days be excused, which motion prevailed.

Senator Hall moved that Senator Bailey of DeWitt be excused from attendance indefinitely on account of important business.

The motion prevailed.

On motion of Senator Collins, Senator Carter was excused indefinitely, on account of important business.

Here a messenger from the Governor's office appeared at the bar of the Senate and presented a communication from the Governor.

## PETITIONS AND MEMORIALS.

Senator McGregor presented a pe-

tition from Fort Bend county, numerously signed, and pending the reading of same, Senator Collins moved that the further reading of same be dispensed with.

Senator Watson made the point of order that the Constitution accorded the right of the people to be heard by petition, and that the motion to suspend the reading was out of order.

The Chair overruled the point of order, holding that the matter before the Senate could be disposed with by the body.

Action recurred on the motion to dispense with the further reading of the petition, and,

Senator Willacy moved as a substitute, that the petition be referred to Judiciary Committee No. 1, the committee to which "The Bank of Texas" bill was referred and upon which subject the petition dealt with.

Pending discussion Senator Collins withdrew his motion to dispense with the reading of same and the motion by Senator Willacy was declared out of order.

Senator McNealus moved that the further reading of the communication be dispensed with.

Senator Wiley made the point of order that it would be out of order, under Section 27 of Article 1 of the Constitution, to dispense with the reading of the petition.

The Chair overruled the point of order, holding that it would not be an infringement on the Constitution and that the Senate could do as it desired to with a petition.

## BILLS AND RESOLUTIONS.

By Senator Willacy:

S. B. No. 2, A bill to be entitled "An Act, making appropriation to pay the per diem of members, officers and employes of the Third Called Session of the Thirty-third Legislature of the State of Texas, convened September 23, 1914, by proclamation of the Governor; providing how accounts may be approved, and declaring an emergency."

Read first time and referred to Finance Committee.

By Senator Willacy:

S. B. No. 3, A bill to be entitled "An Act, making appropriation of the sum of twelve thousand dollars or so much thereof as may be necessary, to

pay the contingent expenses of the Third Called Session of the Thirty-third Legislature of the State of Texas, convened September 23, 1914, by the proclamation of the Governor, providing how accounts may be approved, and declaring an emergency."

Read first time and referred to Finance Committee.

### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senators Watson and Collins:

Whereas, The Hon. W. P. Hobby, Democratic nominee for Lieutenant Governor, is now in the city; therefore be it

Resolved by the Senate, That he be invited to address the Senate and be accorded the privileges of the floor.

The resolution was read and adopted and Senators Collins, Watson and Terrell were appointed to escort Mr. Hobby to the President's stand, whereupon he addressed the Senate briefly.

### SIMPLE RESOLUTION.

By Senator Lattimore:

Resolved, That the Senate of Texas present to Hon. W. P. Hobby, Democratic nominee for Lieutenant Governor of this State, a copy of the Legislative Manual of 1913, to the end that he may familiarize himself in advance with the rules and precedents of the body over which he is to preside.

LATTIMORE,  
COWELL.

The resolution was read and adopted.

### PETITIONS AND MEMORIALS.

The motion to dispense with the further reading of the petition by Senator McGregor was lost by the following vote:

Yeas—7.

Collins.	Taylor.
Conner.	Watson.
McNealus.	Willacy.
Real.	

Nays—14.

Astin.	Lattimore.
Bailey of Harris.	McGregor.
Cowell.	Morrow.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Westbrook.
Hall.	Wiley.

Absent.

Brelsford.	Hudspeth.
Clark.	Johnson.
Harley.	Nugent.
Henderson.	Warren.

Absent—Excused.

Bailey of DeWitt. Carter.

The reading of the petition was completed.

Pending the further call for petitions and memorials, Senator McNealus called for a second reading of the petition by Senator McGregor.

### SENATE BILL NO. 2.

(By Unanimous Consent.)

Senator Willacy called up Senate bill No. 2, and,

On motion of Senator Willacy, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its second reading by the following vote:

Yeas—22.

Astin.	McGregor.
Bailey of Harris.	McNealus.
Collins.	Morrow.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Hall.	Westbrook.
Hudspeth.	Wiley.
Lattimore.	Willacy.

Absent.

Brelsford.	Johnson.
Clark.	Nugent.
Harley.	Warren.
Henderson.	

Absent—Excused.

Bailey of DeWitt. Carter.

On motion of Senator Willacy the Senate rule requiring committee reports to lie over for one day was suspended by the following vote (see Appendix for the committee report):

Yeas—22.

Astin.	Darwin.
Bailey of Harris.	Gibson.
Collins.	Greer.
Conner.	Hall.
Cowell.	Hudspeth.



Lattimore.	Terrell.
McGregor.	Townsend.
McNealus.	Watson.
Morrow.	Westbrook.
Real.	Wiley.
Taylor.	Willacy.

Absent.

Brelsford.	Johnson.
Clark.	Nugent.
Harley.	Warren.

Absent—Excused.

Bailey of DeWitt. Carter.

The committee report was adopted.

The Chair laid before the Senate on second reading,

S. B. No. 2, A bill to be entitled "An Act making appropriation to pay the per diem of members; officers and employes of the Third Called Session of the Thirty-third Legislature of the State of Texas, convened September 23, 1914, by proclamation of the Governor; providing how accounts may be approved, and declaring an emergency."

The bill was read second time and ordered engrossed.

On motion of Senator Willacy the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—22.

Astin.	McGregor.
Bailey of Harris.	McNealus.
Collins.	Morrow.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Hall.	Westbrook.
Hudspeth.	Wiley.
Lattimore.	Willacy.

Absent.

Brelsford.	Johnson.
Clark.	Nugent.
Harley.	Warren.

Absent—Excused.

Bailey of DeWitt. Carter.

The bill was read third time and passed by the following vote:

Yeas—22.

Astin. Bailey of Harris.

Collins.	McNealus.
Conner.	Morrow.
Cowell.	Real.
Darwin.	Taylor.
Gibson.	Terrell.
Greer.	Townsend.
Hall.	Watson.
Hudspeth.	Westbrook.
Lattimore.	Wiley.
McGregor.	Willacy.

Absent.

Brelsford.	Johnson.
Clark.	Nugent.
Harley.	Warren.

Absent—Excused.

Bailey of DeWitt. Carter.

Senator Willacy moved to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion to table prevailed.

## SENATE BILL NO. 3.

(By Unanimous Consent.)

Senator Willacy called up Senate bill No. 3, and,

On motion of Senator Willacy the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its second reading by the following vote:

Yeas—22.

Astin.	McGregor.
Bailey of Harris.	McNealus.
Collins.	Morrow.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Hall.	Westbrook.
Hudspeth.	Wiley.
Lattimore.	Willacy.

Absent.

Brelsford.	Johnson.
Clark.	Nugent.
Harley.	Warren.

Absent—Excused.

Bailey of DeWitt. Carter.

On motion of Senator Willacy the Senate rule requiring committee reports to lie over for one day was suspended by the following vote (see Appendix for the committee report):

## Yeas—22.

Astin.	McGregor.
Bailey.	McNealus.
Collins.	Morrow.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Hall.	Westbrook.
Hudspeth.	Wiley.
Lattimore.	Willacy.

## Absent.

Brelsford.	Johnson.
Clark.	Nugent.
Harley.	Warren.
Henderson.	

## Absent—Excused.

Bailey of DeWitt. Carter.

The committee report was adopted.

The Chair laid before the Senate on second reading,

S. B. No. 3, A bill to be entitled "An Act making appropriation of the sum of twelve thousand dollars or so much thereof as may be necessary to pay the contingent expenses of the Third Called Session of the Thirty-third Legislature of the State of Texas, convened September 23, 1914, by the proclamation of the Governor; providing how accounts may be approved, and declaring an emergency."

The bill was read second time and ordered engrossed.

On motion of Senator Willacy the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

## Yeas—22.

Astin.	McGregor.
Bailey of Harris.	McNealus.
Collins.	Morrow.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Hall.	Westbrook.
Hudspeth.	Wiley.
Lattimore.	Willacy.

## Absent.

Brelsford.	Johnson.
Clark.	Nugent.
Harley.	Warren.
Henderson.	

## Absent—Excused.

Bailey of DeWitt. Carter.

The bill was read third time and passed by the following vote:

## Yeas—22.

Astin.	McGregor.
Bailey of Harris.	McNealus.
Collins.	Morrow.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Hall.	Westbrook.
Hudspeth.	Wiley.
Lattimore.	Willacy.

## Absent.

Brelsford.	Johnson.
Clark.	Nugent.
Harley.	Warren.
Henderson.	

## Absent—Excused.

Bailey of DeWitt. Carter.

Senator Willacy moved to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion to table prevailed.

## PETITIONS AND MEMORIALS.

Senator Astin here presented a petition, numerously signed by citizens of Bryan, protesting against the passage of the Bank bill.

Senator Astin moved that the petition be printed in full in the Journal.

Senator Wiley made the point of order that the Senate rule required a brief statement of all petitions be printed in the Journal and that that rule would have to be first suspended and the Chair sustained the point of order.

Senator Astin moved to suspend the Senate rule relating to the printing of petitions and memorials.

Senator Cowell moved to table the motion to suspend the Senate rule, which motion to table was adopted.

SENATE CONCURRENT RESOLUTION  
NO. 1.

By Senator Terrell:

Whereas, The Thirty-third Legislature was convened in extraordinary session

by proclamation of the Governor on August 24, 1914, for the specific purpose of enacting an emergency warehouse law, and the passage of a permanent warehouse bill, both measures being destined to assist the cotton producer of Texas, and

Whereas, The Second Called Session of the Legislature, in obedience to the call of the Governor, enacted both of the above measures and adjourned sine die on September 22, 1914, and

Whereas, His Excellency, Governor O. B. Colquitt, issued a proclamation immediately convening the Thirty-third Legislature in extraordinary session for the third time and submitted for its consideration the establishment of a great central bank to be known as "The Bank of Texas," the capital stock of which is to be derived largely from funds to be secured by pledging the bonds now held by the school fund of Texas in the amount of something over \$17,000,000; and

Whereas, This is such a radical departure from the well established policy of the State as to demand, both from the people and their representatives, calm, cool and deliberate thoughts, which would preclude the passage of such a bill at this time; therefore, be it

Resolved by the Senate, the House of Representatives concurring, That the Third Called Session of the Thirty-third Legislature stand adjourned sine die Wednesday, September 30, at 12 o'clock noon.

LATTIMORE,  
TERRELL.

The resolution was read and Senator Collins moved that it be laid on the table subject to call, and

Senator Watson moved, as a substitute, that the resolution be referred to the Committee on Rules.

RECESS.

On motion of Senator Conner, the Senate, at 12:33 o'clock p. m. recessed until 2:30 o'clock today.

AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Morrow.

## SENATE CONCURRENT RESOLUTION NO. 1.

Action occurred on the pending business, S. C. R. No. 1, the question being on motion to refer the resolution to Committee on Rules.

By unanimous consent the further consideration of the resolution was postponed until tomorrow morning, after the conclusion of the morning call.

Morning call concluded.

## MESSAGE FROM THE GOVERNOR.

The Chair laid before the Senate, and which was read, the following message from the Governor:

Governor's Office,

Austin, Texas, September 29, 1914.

To the Senate and House of Representatives:

In a message to the Second Called Session of the Thirty-third Legislature, I presented to you on September 15th the subject or organizing The Bank of Texas for the purpose explained in my message of that date. I have again convened you in extra session for the further consideration of this subject and other important matters which may be subsequently presented to you for the protection of the credit of our people and to prevent the sale of their products and property at sacrificing prices to enforce the payment of debts.

### Inherent Rights.

The declaration of our Bill of Rights that "All political power is inherent in the people, and all free governments are founded on their authority and instituted for their benefit," is peculiarly pertinent just at this time. Our government, both national and State, has instituted means and agencies through which the banking business of the country is done. But these agencies, both national and State, are either unable or disinclined to meet, in the the fullest sense, the needs of the situation. Hence, the people are looking to you, their representatives, to find some way of financial relief and protection to them. This is their hour of depression. The State government has been established by their authority, and a portion of the State government's authority has been invested in a system of banks. The government has been instituted for the people's benefit, and a portion of this benefit has been conferred upon cor-

porations with banking powers. What is here said with reference to State banks applies with accelerated force to national banks.

#### Weakness of System.

More than ten days ago I called attention to the fact that notwithstanding the increased volume of currency issued to the national banks under the emergency currency acts of Congress, these banks were not responding with this currency to the requirements of trade and industry, and inducing the active movement of cotton and other commerce. This statement of mine was vehemently criticized, but for the last several days the Secretary of the Treasury has likewise called attention to these facts, and served notice upon banking institutions under his supervision that unless relief was afforded by them to the people, and this currency loaned at reasonable rates of interest for investment in agricultural products, and for the carrying on of trade in its usual course, that he would withdraw currency so issued or money on deposit with banks for the purpose of relieving financial stringency.

The Secretary of the Treasury points out that there is plenty of money in the country which, if the banks themselves would have confidence and inspire it in others and put the money in circulation, would freely move commerce, and business would assume something like normal conditions. Without so intending it, the observations of the Secretary of the Treasury and his threats to punish those who use the privileges granted them by the government for their corporate protection, are a terrific arraignment of the present banking and currency system in our country.

#### Like an Army Wasting Values.

The armies of warring nations are laying waste the countries of Europe and exhausting their resources. The inefficiency of our banking and currency system and the policy of the banks which control the money supply, is laying waste the values of the products of our fields and farms.

Shall we, the servants of the people of this great commonwealth, pass the cries for relief unheeded? We are confronted with a condition, and shall we not strive to meet and solve it? With millions of produce and matured values at our very door, the country literally

flowing with milk and honey, we hear of the producers of those values living on cornbread, potatoes and milk, while laboring in the fields gathering their abundant harvests, the values of which are wasting away in the face of the hoarded millions by the very agencies which the government has created and which control the circulation of the medium of exchange—the people's money.

The Huns and Vandals who ravaged the Roman Empire and destroyed her supremacy and prosperity, came from without. But the forces which are destroying the values of our farm products come from within our own banking and currency system. The war in Europe may be the cause for lack of markets, but the controllers of our money system have done nothing, and are doing nothing to overcome this cause by lending money or extending credit to increase the value of cotton. On the contrary, they are like an army attacking and destroying it by withholding faith and credit. The tagged bales of cotton bought under the "buy-a-bale" movement, and displayed upon the streets and public places, are mute witnesses to the failure of the banking system which permits the control and hoarding of the people's own money to their undoing and business destruction.

#### The Seat of Trouble.

This criticism is not meant to apply locally or to individual banks in Texas, but to the system under which they are working and which forces them as a matter of "self preservation" to protect themselves. The Secretary of the Treasury says Texas banks as well as banks in other States, have been hoarding currency. This is undoubtedly true. But a "burnt child dreads fire" and the national banks as well as the State banks in Texas vividly recall the "bank panic" of 1907 when they had, it was said then, nearly one hundred million dollars on deposit with banks in New York, Chicago, St. Louis and Kansas City. The "bank panic" started in New York and quickly spread to the banks in all the so-called central reserve cities. The banks of Texas were freely advancing money on cotton to its full value and almost like the stopping of a clock, the tick of coin over the bank counters ceased. Why? Because banks holding the money of Texas banks in New York and other reserve cities refused to let them draw the money out and use it in paying for cotton, for the

simple reason that the banks in New York had loaned Texas money to stock speculators on Wall Street and there was not enough money in New York, notwithstanding the enormous balances Texas banks and the banks of other States had there, to sustain the gigantic speculative deals in Wall Street; not enough to sustain the enormous inflation of stock values by which individual leaders of "big business" expected to make millions. The government deposited millions with the banks of New York, taking the money from the United States Treasury, to sustain the crumbling values of watered stocks and bonds; the banks of New York, through the clearing house system, quit paying out money to depositors and issued clearing house certificates and these certificates were used as a medium of exchange in settling balances between themselves.

#### Prostrate and Helpless.

No money could be drawn out of New York banks, although Texas banks had millions there and with other reserve banks in financial centers. The banks in Texas as a result, had to follow the example of New York and "put the lid on" their individual and bank deposits. It was but a short time until the "bank panic" was complete and extended to every State and county in the Union. This was one of the results of the system, and each individual bank rushed to cover for its own protection. The "reserves" of the several banks composing the system could not be used because they could not be reached—they were deposited beyond their control and their base of supply was in a panic. As a result cotton tumbled in value more than ten dollars a bale, purely as a result of this panic and not because of market conditions. The banks right here in grand old Texas would not allow you to draw out your money, or cash your check, for more than twenty dollars, or at least for but a very small percentage of your balances with them. There had been a perfect flood of money into the banks and those in this State were discounting the paper of big northern corporations at a very low rate of interest. Suddenly, like a clap of thunder out of a clear sky, there was no money to be had either for "love or high rates of interest." The banking and currency system was prostrate and helpless. The system sallies forth panoplied with all its armor and influence to fight any movement to correct its weak-

ness, but at the appearance of an approaching storm it slinks away and hides itself for self protection and leaves the people, and their commerce, prostrate and helpless, and at the mercy of the storm of adversity which the banks themselves bring about.

#### A Giant of Inertness.

You, gentlemen of the Legislature, will recall as I do, I am sure, how the banks in 1907 refused to cash each other's checks, so completely had confidence in one another's responsibility been destroyed, almost in the "twinkling of an eye." Individuals away from home would have to hunt up some friend and ask as a personal favor the cashing of a small check with which to pay hotel bills and purchase railroad tickets to their residences. How this fact is recalled by the "buy-a-bale" movement of the banks now to shift attention from their utter inability to meet the financial needs in an hour like this! The bank is incorporated by the government, and a part of the government's powers are conferred upon it, in order that the bank itself should carry these public burdens. Instead they seek to shift it to individual shoulders.

Thus we behold the "great banking system," so-called, in 1907, and now, that combats any suggestion of a change for the public protection, writhing in despair and helplessness, and as inert as the Giant Philistine was at the feet of David.

Self preservation is one of the laws of selfish human nature, and with the banks of Texas more or less dependent for credit upon the big banks in New York where they have to go to borrow money to move the crops, and where they keep big balances to give them credit, with the experience of 1907 fresh in their memories, they can not be altogether blamed for taking steps to protect themselves against a repetition of their experience.

#### For Public Protection.

The government—State and national—charters banks for a public purpose, albeit they are organized for private profit. As already stated, such corporations exercise functions which the government itself might perform.

Banks as such are not organized with any hope of making profit upon their capital stock except by the use of money of depositors who place it with them for safe keeping. The use of these deposits,

which are a liability and an asset of the bank, money is infused through business and the base of exchange is active; changes hands frequently, the same piece of currency being used as the medium of exchange many times. No bank would expect to even make expenses on its capital stock, and if it were not for the hope of profitably handling deposited money by becoming responsible for its safe keeping and return, no banks would be organized.

This being true, the public have an interest in the management and control of banks and the government has taken supervision over them for the public protection. But this protection falls short of the public needs in that the requirements by the government of the banks is not sufficient.

#### Central Reserve Needed.

If the national banking laws required all the national banks of the United States to keep a small percentage of their deposits or reserves in a central bank under the direction of the government itself, which would not be subject to speculative loans, but subject only to advances to banking corporations themselves on good collaterals, a bank panic like that of 1907, and like the one against which local banks are now disposed to hoard money for self-protection, could not occur, because the central bank could go to the relief of any bank or banks, in any section of the country, to help them meet emergencies like that now confronting the cotton growing States. The funds of this reserve bank could be used without withdrawing funds from banking centers which themselves would need their reserves. All banks under this plan would concentrate a small part of their deposits in this way, for the purpose of establishing a reserve fund for their mutual protection, and for the general protection of commerce and trade. With such funds in reserve, money could be deposited by the government managers of such bank in the banks of the South to meet an emergency like that we are now dealing with, at specified low rates of interest. The funds in a reserve bank of this kind, necessarily would reduce the surplus carried in each individual bank to the extent that the government required of them. But such a bank would strengthen the whole system of banks, in all sections of the country, and make it impossible to have a bank panic again, for, with the appearance of distress in one section of the

country, the reserve of the whole banking system, or so much as needed, could be brought into use for its relief. Creating such reserve would be using the deposits of the people to protect themselves, and such requirement would not be an unreasonable exaction of the banking corporations created by the government. The national banks carry over six billion dollars of deposits—money that does not belong to them but to the people. If the government were to require that a small per cent of this vast sum be kept with a central bank for use in relieving situations like that which now confronts us here in Texas, three or four hundred million dollars could be easily placed with banks in the South at this time to be advanced on crops at low rates, and thus fully protect the producer in his values, without straining the reserves in the banks themselves for use in the ordinary course of business.

#### The Bank of Texas.

This is one of the things that the Bank of Texas, as now proposed, would accomplish for this State, in times like these. I have discussed the national system thus far for the purpose of inviting particular attention to what can be accomplished by this State with a central reserve bank for State banks and their customers, in the absence of such facilities by the Federal government. This plan came to my mind in 1907 when we were struggling with the adversities of a bank panic and it is offered now for the purpose of protecting this State against a recurrence of our present and past experience.

#### State Banking System.

The State banking system was instituted for a public purpose as well as for private gain. It is now proposed to organize a strong central bank by the State of Texas itself, to build up and strengthen the State banks and enable them to fully discharge the functions for which they are chartered by the State, and to do for them what a central reserve bank such as that already discussed, would do for the national system.

One of the results of the bank panic in 1907 was a demand all over the country, for the enactment of a law for the guarantee by the State and nation of bank deposits. This State enacted such a law applicable of course only to State banks under its supervision and control. There was then a great hue and cry

against this course. The national banks opposed it; private banks fought it; great lawyers pleaded its unconstitutionality, but public opinion and public safety demanding the law finally prevailed and the Legislature passed it. It has proven a tower of strength and protection to the banks and to the people. The bank guarantee law is but the requirement of a small contribution from each bank for the creation of a fund which will guarantee security to them all and to their depositors.

#### Bonds as Reserve.

The plan for creating The Bank of Texas is to utilize the seventeen million eight hundred thousand dollars of gold bonds now in the State Treasury and owned by the State school fund as the basis for the State or the school fund's subscription to the capital stock of the bank, the bank giving therefor bond certificates representing their value, these bond certificates being guaranteed by the bank itself and also by the State. The bond certificates are to draw five per cent interest and this interest is to be paid to the State available school fund, the bond certificates remaining a part of the permanent school fund.

The banks chartered under the laws of this State are required to become subscribers to the capital stock of The Bank of Texas to the extent of 5 per cent of their capital. The whole capital of the bank is made liable for the bond certificates in addition to the State constitutional guarantee. The bonds which it is proposed to use as the State's subscription to the capital of the bank, now earn the available school fund about 4½ per cent, so the State Treasurer advises me.

#### Cash of the Bank.

The State banks are required to keep one-half of their reserve balances in The Bank of Texas. The average deposits of the State banks at examination periods for the year ending June 30, 1904, were \$75,000,000 in round figures, one-fourth of which, or \$18,700,000, they are required to keep as a reserve. One-half of this sum, or \$9,350,000, under the proposed law creating The Bank of Texas, would have to be deposited with The Bank of Texas. The capital stock of the State banks is above \$34,000,000, and their capital, surplus and undivided profits, is above forty-five million dollars. Five per cent of the stock would give them \$1,700,000 interest in The

Bank of Texas. The proposed law requires the bank guarantee fund shall be kept and deposited with The Bank of Texas. This fund amounts to \$1,800,000. The accounts of escheated estates, blind, deaf and dumb, and insane asylum funds, and other unused funds in the State Treasury, amounting to about \$600,000, are required to be deposited with The Bank of Texas, as is also the current collections and accounts of the Secretary of State and Comptroller and other departments. These amount to an average of \$100,000 to \$500,000 per month. The State available school fund after it is apportioned to the counties by the State Board of Education, is also to be carried in The Bank of Texas, subject to check as the counties and cities need same to pay teachers. This applies only to the State fund, which for the present fiscal year, will amount to a total of nine million dollars. There would probably be an average monthly balance of one million. The special pension fund would likewise be carried in The Bank of Texas subject to the payment of pension warrants of the Treasury. Under existing law, this will average from \$250,000 to \$1,000,000. A summary of these funds show the following total cash assets of the bank which is due to collecting scattered resources of the State, and of the State banks together:

Capital stock by State banks,	
(cash) .....	\$1,700,000
State bank reserve (cash) ..	9,350,000
State bank guarantee fund ..	1,800,000
Unused Treasury accounts	
(cash balances) .....	600,000
State school fund balances	
(cash) .....	750,000
Accounts of State departments	
in course of adjustment	
(cash average) .....	250,000
Total available cash.....	\$14,450,000

This amount of cash would be available by the concentration of part of the cash reserves of the State banks and of various accounts of the State which are now earning practically nothing. All of which would go to strengthen the investment of the school fund's investment in the bank. Can there be any danger to the school fund thus fortified?

#### Utilize Texas Money for Texas Business.

This large sum of money could be utilized to move the crops or meet any other financial requirements of the State banks, or national banks either, by ad-

vancing to them sums required in trade, but such loans to banks would always be protected by the deposit of their best collaterals. Besides State banks, national banks are permitted by the law, if authorized by national authorities, to become investors in The Bank of Texas and keep their reserves with it. The effect of the bank's establishment would be to furnish a ready supply of money from a concentration of funds belonging to the banks themselves, to meet almost any emergency. The bank would serve a great public purpose in many ways, one of which would be to draw money from reserve centers outside of Texas and protect it for use in this State, just as our insurance laws have kept insurance premiums in Texas for investment and development of the State.

The proposed law makes the State school board an organization committee for the purpose of organizing the bank as outlined.

#### The Purpose of the Bank.

In addition to furnishing a lucrative investment and employment of a portion of the school fund, and to provide a central reserve bank for the State banking system, and help maintain values in agricultural products, and preserve normal business conditions in the State, The Bank of Texas will provide a fiscal agency for the State, its counties, municipal corporations and all districts heretofore or hereafter created, to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, find a ready and sufficient market for bonds and other obligations, and furnish an agency of sufficient capital and authority to maintain the financial affairs of the State and its various governmental agencies in a sound and efficient manner.

#### Increase Income for Schools.

The law already makes provision that the State public school fund through the State Board of Education shall have the prior right to buy all bonds issued by any subdivision of the State government. The proposed law creating The Bank of Texas, carries this idea one step further and makes the bank the fiscal agent of all counties, cities and towns and school districts, road districts, etc., in the sale of bonds.

The Attorney General advises me that during the last two fiscal years his department has approved bond issues of

various kinds, amounting to \$36,257,720, or an average of over eighteen million a year. If The Bank of Texas should underwrite or dispose of an equal amount of such bonds, annually, for the counties and other political subdivisions of the State, not sold to the school fund, say at 1 per cent, there would be an earning from this source alone of \$180,000 per annum. It is safe to say that the municipalities now pay twice that sum to their agents and to bond companies for performing this service. This source of revenue would under the plan of the law creating The Bank of Texas give the school fund an increased income from this source, as well as from others.

By the simple method of concentration of bank reserves we see what a magnificent cash reserve would be created in The Bank of Texas for the public use, and how the income from it would increase the revenues to the available school fund by its judicious use. A bank with fifteen million of cash deposits ought to earn at least 5 per cent on the capital invested above the cost of management, which would be paid to the available school fund for the education of the children of the State. The bonds now earn about 4½ per cent, and by the terms of the bill they would earn 5 per cent.

On this very moderate estimate, the income from the investment of the eighteen million dollars of the permanent school fund would be increased more than 100 per cent, which would go to the benefit of the available school fund, as follows:

Interest on bonds at 5 per cent.	\$900,000
Fiscal agency fees and income	
from bank earnings, 5 per cent	900,000

Total .....	\$1,800,000
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whereas, the present income from the bonds enumerated or included in the foregoing calculation is about 4½ per cent, or about \$810,000 per annum. The plan, on this estimate, would increase the income from the investment the splendid sum of \$990,000. Any conservative banker will admit the calculation herewith submitted is a conservative estimate.

#### A Politician's Argument.

Artful politicians are making the argument that the plan will turn the management of the bank over to politicians. The bill as drawn upon this point is directly in line with the Regional Bank Law which seeks to take the manage-



ment entirely out of the hands of politicians and remove it from the effect of politics. The bill provides for nine directors who shall have the control and government of the bank, just as is the case in the Regional Bank Law. Three of these directors are to be appointed or chosen by the State Board of Education, one of whom must be a banker of experience, three are to be chosen by the constitutional elective officers of the State, who are not members of the State Board of Education, to wit: the Attorney General, State Treasurer, Land Commissioner and Lieutenant Governor, and the men so chosen by them are to be men of business ability not connected with any bank; and three of the directors are to be chosen by the State banks and trust companies who are required to invest a part of their capital stock in The Bank of Texas. It is provided that the terms of these directors shall be three years, and that the term of one director of each class shall expire each year. This removes it from politics as far as it is possible under our system of government to do. These directors are required to select a manager and other employees, and the manager of the bank, by the terms of the proposed law, must be a banker of not less than ten years experience.

#### Safety of the Plan.

Those who inveigh against the security and safety of this plan to justify their opposition on that ground, must also condemn the plan for the management of the regional bank, provided for by Federal enactments. That plan, while it is in almost exact harmony with the plan proposed for The Bank of Texas, provides that the manager of the regional bank shall be appointed from Washington, whereas, we remove The Bank of Texas still further away from the influence of politics by requiring that he shall be chosen by the board of nine directors and shall be a man of ripe experience as a banker.

Under the Federal statute the member banks joining the Regional National Bank must subscribe six per cent of their capital stock to the bank, whereas, the proposed law for the establishment of The Bank of Texas requires the State banks to subscribe only five per cent of their capital to The Bank of Texas.

#### Honest Servants.

The responsible managers of The Bank

of Texas would all be under bond, in such amount as the board of directors would require as sufficient. These men certainly could be as well trusted as the men who handle the same funds belonging to the member banks, and would be as trustworthy as the Treasury officials of the State and of the State Board of Education. These officials now handle or invest all the funds belonging to the State which the proposed law would require kept in The Bank of Texas. Some of these officials are under bond and others are not. During a period of more than thirty years the Treasury officials of this State have handled millions of dollars without a charge of a single act of dishonesty or defalcation being made against any of them. The State Treasurer, under bond of seventy-five thousand dollars, together with eight or nine clerks, will during the present fiscal year receive and pay out about nine million dollars of State available school fund, and about six million dollars of general revenue, besides the permanent school, asylum, University and orphan home funds, amounting annually to a million and a half dollars more. These figures show that the State Treasurer now handles, or will handle during the present fiscal year, more than sixteen million dollars. The present splendid official at the head of the Treasury Department advises me that for the fiscal year ending August 31, 1914, the average cash balances in the Treasury to the credit of all funds, was \$1,675,718. This balance, under the proposed law, would be carried in The Bank of Texas, which as a matter of fact would use the State Treasury vaults and offices as its place of business, and besides the non-political board of directors and managers in charge, would have the supervision of the State Treasurer and the Banking Commissioner too.

#### The Depository Law.

The proposed law for the creation of The Bank of Texas would do away with the State Depository Law, by which the State Treasury now has \$800,000 of the State's money deposited in various banks in the State, for which the depository banks pay about 4 per cent. It is natural that these banks should use their influence to defeat the bill creating The Bank of Texas, but these funds would then be placed in that institution for use and made available and subject to loan to any bank offering good collateral for its use, at five per

cent. When the State Depository Law was enacted, it was for the purpose of putting idle money to profitable use. It was a common-sense good business proposition, and we didn't hear any argument from bankers about politics entering into the making of these deposits, nor any objection to it being done.

We now propose another common-sense business proposition for the purpose of using the dormant securities belonging to the school fund as the basis for a great bank that will utilize all idle funds of the State, and of the State banks, for the use of the people in times of sore need, and in the ordinary course of business, for the profit of the school fund, as well as the State banks and the people. We are simply taking the "buried talent" that has been unproductive in their use, except the meagre interest they bear, and utilizing them, precisely on the same basis that the government of the United States utilizes its own bonds as the basis for national bank notes which circulate the world over as money. The plan is identical, and just as sound, and just as safe.

#### Idle Foolishness.

It is idle foolishness to say, that as safe-guarded in the proposed law, the investment will not be safe, for the officers of the bank will be under bond, the bonds will be an investment of the bank, and the whole capital and resources of the bank will be liable for the payment of the interest and principal of the bonds as represented by the bond certificates. The State, besides, will control and manage the bank through the non-political board of directors, and the State, by the terms of our Constitution, stands behind the investment with its guarantee. In addition, the capital stock, surplus, profits and resources of the State banks will be behind and back up the investment, which resources now amount to one hundred and twenty-five million dollars. Besides, the people will be behind the bank, for they will look to it for, and it will give them relief from the terrible failures of the national system in times of panic. It will keep millions of Texas money now on deposit in New York and other cities at home in Texas for loan and investment at low rates of interest in times of normal conditions.

#### Legislative Power.

The Legislature has ample power to direct this investment. The Constitu-

tion (Article 7, Section 5) defines what constitutes the permanent school fund. It also defines what shall constitute the available school fund.

The people of Texas, in the face of the argument made against "diverting" the "sacred school fund," in 1891, adopted an amendment to the Constitution which authorizes the State Legislature to annually "divert" one per cent of the permanent fund, and appropriate same for available school purposes.

The same article of the Constitution prohibits the diversion of the permanent or the available school fund to any purpose whatsoever except for investment and use for public school purposes. The provision does not, as contended by the enemies of The Bank of Texas, propose a diversion either of the permanent or available school fund from this purpose. It is proposed, only, to utilize the fund for further and more profitable use and investment, for the benefit of the schools, and for the further laudible public purpose of furnishing the means of protecting the people of the State generally against ruinous conditions such as we are now contending with.

#### Investment of School Funds.

The Constitution (Article 7, Section 4) provides for the sale of the lands set apart for the public school fund, on "such regulations, at such times, and on such terms as may be prescribed by law." If there ever has been a "diversion of school funds" the most flagrant, and resulting in the greatest loss, has been the manner of disposing of the public lands belonging to the school fund. No money has been lost to the school fund since the adoption of the present Constitution through any investment by the State Board of Education, authorized by the Legislature. But there has been millions of loss and waste to that fund on account of the manner in which the school lands have been gobbled up. Timber lands in East Texas worth perhaps a hundred million dollars, are now held by individuals and corporations, that were sold "for a song" under special enactments of the Legislature. What is said of the timber lands belonging to the school fund will apply with equal force to the splendid lands in the agricultural sections of the State, in some instances held in large tracts, and bought from "bonus men" who had squatted on the land as "actual settlers." Men who have had part in these diversions of values in the school

lands should never be heard to complain of the present effort to invest a part of this fund in a way which will relieve public distress, and result in increased income from its investment for public education.

#### Character of Securities.

But Section 4 of Article 7 of the Constitution as amended in 1883, enlarged the list of securities in which money from the sale of lands, the permanent fund, could be invested, naming in addition to United States and State bonds, county bonds, "or in such other securities and under such restrictions as may be prescribed by law; and the State shall be responsible for all investments." This amendment of 1883 did three things, to wit: (1) Enlarged the named list of securities in which the school fund may be invested; (2) enlarged the discretion of the Legislature and authorized it to prescribe securities; and (3) made the State responsible for all investments, thus giving the State's guarantee.

The original Section 4 in the Constitution of 1876, did not make the State responsible for school fund investments. That was a valuable amendment for which I had the pleasure of casting my first vote.

The opponents to the establishment of The Bank of Texas urge with much distress the fact that before the Civil War the State loaned the Houston and Texas Central Railroad Company some of the school funds, taking their bonds therefor, and that as a result of litigation the State school fund lost something over \$800,000, which has not been made good under the amendment of 1883 requiring the State to become "responsible for all investments."

#### The Exigencies of War.

No thoughtful man should give a particle of weight to this argument as a valid one against the pending proposition, for two reasons: First, the transaction referred to took place before the Civil War and soon after Texas joined the American Union. She was paying cash bonuses, and land bonuses, to encourage railroad building, and other internal improvements. The Constitution at that time did not make the State responsible for investments of the school fund. Second, the State seceded and issued its obligations during a time of war to meet its financial requirements, and the Houston and Texas Central

Railroad Company at a time when these obligations of the State were valid (according to the Supreme Court) acquired and tendered them as an offset to the loan advanced. In times of war nothing is "sacred," as we all have heard the statement that "war is hell."

War in Europe has shown conclusively that we have not made adequate provision for taking care of ourselves in times of peace, even with the country literally flowing with milk and honey. Some of us are trying now to guard against this unpreparedness in the future, by arranging to conserve our own wealth and thereby protect values. These things we are not going to think of or do, it seems, except in emergencies, with "necessity" as our schoolmaster.

For our efforts, selfish interests and their friends, raise a howl about the sacred school fund, and talk about turning them and The Bank of Texas over to politicians who are untrustworthy. But it is all right, our critics think, to deposit the funds belonging to the sacred school fund in national and State banks to be used for their profit.

"Twice treble shame on Angelo.  
To weed my vice and let his grow."

But if we will go forward, heeding not the selfish interests that oppose it, and establish The Bank of Texas, we will emancipate this State from the thralldom of an unresponsive banking system which controls the money supply of the country.

The Bank of Texas will be "as a light set upon a hill" as an example for other States.

#### The Forces of Opposition.

In my message to the Legislature upon this subject when it was first presented to you on the 15th instant, the following statement was made:

"In presenting to you this subject of legislation, I am not unmindful of the objections which will be urged against it, nor do I underestimate the influence of the forces that will oppose its passage. Nevertheless, it is a question which calls for action at this time, and the very inertness which gives rise to its presentation shows the necessity for the measure."

I fully realized then, and know now, the influence that will oppose the creation of The Bank of Texas. But the friends of the measure are in the right in wanting to do something to prevent the waste of values these same influences are permitting, if not encouraging.

It is proposed to use eighteen million of solvent securities as part of the operating capital that belongs to the school fund. These bonds are gilt edge securities, most of them. Many of them draw only three per cent interest. But they represent value and are sound credits, that are dormant except for the small rate of interest they bring to the available school fund. It is proposed to utilize them to increase that income and help save the wasting values of the products of the people. With their safe use the State banks could secure and utilize many millions of cash to advance on cotton that are not now available or obtainable. If The Bank of Texas was in operation and co-operation with the State banks, and national banks too, who wanted to use its strength, it could materially aid in maintaining the values of cotton to something near its intrinsic worth, whereas, the prospect before us is, that because of the lack of a strong backing of this kind, there will be a loss of from fifteen to twenty dollars per bale on cotton, because it will be sold under "distressed" conditions. Fifteen dollars loss per bale means nearly seventy million dollars loss on the value of the farmers' cotton. Is not this enormous value worth an effort to save? Eighteen million of securities buttressed and strengthened by fifteen or twenty million in cash, and much more which would be available by the use of credits, would save a large portion of this immense prospective loss. "But this effort shall not be made by the proposed investment of the 'sacred school fund' in establishing The Bank of Texas," say the "system" opposing it and their allied politicians. These have formed an alliance to defeat the proposed relief. The "sacred school fund" argument reveals the "wolf in sheep's clothing." "This bill must be defeated," is the message that has gone forth. "Silver tongued orators" and pliant politicians have "heard the master's voice and will obey" to the extent of their adroitness and ability. Meetings are to be called and orations delivered over the "sacred fund." It must be saved even though the children to whom it belongs starve for bread. The tocsin of war will be sounded every morning, noon and night, in the daily newspapers. "Oh, my bleeding, starving countrymen," the political avenger will cry, "give us the 'sacred fund' or give us death!" And the powers that be will give loud hand-clappings of approval, for they are not averse to giving

the people both, in the present emergency.

#### Reserves of State Banks.

But there is no good reason, in my judgment, why opposition to the proposed bank should come from other banks. It certainly would furnish new currency resources, and aid banks in the State, State and national, to carry forward their commercial obligations to the people, and to the communities which they form a part.

The State banks, certainly would be greatly benefited and strengthened. It would, by the terms of the law creating it, take some of the reserve of State banks out of national and State banks in the cities of the State. But a slight loss to these banks in deposits would be a great help to the banking system of the State generally.

A statement compiled by the Commissioner of Banking from the reports of State banks of their condition September 12th, instant, shows that the State banks had with fifty-six national and State banks reserves to the amount of \$7,391,390.36. Of this sum only \$750,964.88 were in eleven State banks in the nine cities, and the balance, or \$6,640,425.48 was with forty-four national banks in the same nine cities of the State. Most of this money would come to The Bank of Texas, though, and may account for the active opposition of banks in the cities of the State to the proposed central bank of the State.

#### Public Corporation.

For a time there was some argument against the bank on the ground that the Constitution requires that all private corporations be chartered by general law, and that the proposed law would seek to incorporate the bank by special law.

On the contrary, the bank would be a public corporation, created for a public purpose, its public purpose being declared by the act of the Legislature itself, and its public nature being apparent.

The fact that the State banks are required to become subscribers to the bank's stock does not alter the public character of the corporation, for, the State banks themselves are creatures of the State to meet a public requirement. The shares of stock in the State chartered banks are subscribed for and held by the individual, and are taxed at the situs of the corporation in the name of the holder of shares.

While the capital of the State bank is divided into shares and the corporation as such is responsible to the shareholders, still the whole capital of the bank is nevertheless one person, although an artificial one, created for a general purpose and being the creature of the State, can be required to subscribe to the stock of The Bank of Texas without changing the public character of the latter.

The fact that the stock of The Bank of Texas is exempt from taxation does not violate the taxing articles of the Constitution because the State requires its creature to contribute a part of its capital stock for the public requirements and public purposes set out in the act creating the proposed Bank of Texas. The capital stock of the State bank is taxed once at the situs of the bank according to the shares held by each stockholder in the name of the stockholder. The fact that the law would entitle the member bank holding an interest in The Bank of Texas to share profits answers any contention that might be offered that the act sought to appropriate corporate capital of the State bank for public purposes. Besides, the State has the power to prescribe the conditions under which such a corporation may continue to enjoy the rights, privileges and emoluments conferred upon it by law.

These constitutional questions will be discussed at more length, however, and with more lucidness and with better ability than I would pretend to do by the Attorney General, and I will send his opinion of this and other questions to you with this message.

#### Aldrich-Vreeland Act.

The Aldrich-Vreeland act was passed in 1908. It was inspired by the bank panic of 1907. In the period of distress in 1907, the banks all over the country, in cities, got together by clearing houses and pooled issues for mutual protection against runs by depositors.

The Aldrich-Vreeland act provided that national banks, ten or more in number, might form currency associations, and upon the filing of a certificate to that effect with the Secretary of the Treasury, should become a body corporate, but limiting the currency associations to one in any city. Such currency associations were permitted to join the "national currency association." The organization of these "currency associations" was provided for to meet emergencies by increasing the circulating notes of banks, which was not there-

before permitted. Section one provides that upon the deposit of State, county, city or other municipal bonds with the national currency association, the bank so depositing such bonds should have the right to issue bank notes against them to the extent of 90 per cent of the face value of bonds. The act limited the issuance of circulating notes based on commercial paper to 30 per cent of its unimpaired capital and surplus.

The law makes the banks and assets of all the banks belonging to the currency association, jointly and severally liable to the United States for the redemption of such additional circulation.

#### Other Requirements and Benefits.

But after the passing of the panic of 1907 very little use was made of the Aldrich-Vreeland act, especially in this State. By the terms of the act, the law expired by limitation June 30, 1914. Section 27 of the Regional Bank Act revived the provisions of the Aldrich-Vreeland act, but by the terms of said section, expires by limitation June 30, 1915. The Aldrich-Vreeland act was further amended by an act approved August 4, 1914. This amendment permits banks who are members of currency associations to issue emergency currency upon the deposit of specified bonds in the amount of 125 per cent of the unimpaired capital and stock of the bank, and 30 per cent of emergency currency upon commercial paper deposited. The currency is taxed at the rate of 3 per cent per annum on this emergency currency for the first three months it is outstanding and at the rate  $\frac{1}{2}$  of 1 per cent per annum for each month until a tax of 6 per cent per annum is reached on the average of notes outstanding. The Secretary of the Treasury is given authority to authorize State banks to join the currency associations within fifteen days after the passage of the act and receive the benefits of the amendment to the Aldrich-Vreeland act. A further amendment to this act is now pending in the Congress of the United States, with favorable report on Senate bill with amendments, which will permit the issuance of 75 per cent of the unimpaired capital and surplus of national and State banks based upon commercial paper. It is provided that the benefits of the act, except the provision authorizing the issuance of emergency currency, shall be extended to all State banks that are eligible.

## Federal Reserve Act.

The Federal Reserve Act establishing Federal reserve banks, makes provision in Section 9 for State banks and trust companies becoming members of Federal regional banks, under such rules and regulations as the Federal reserve board may prescribe. Section 16 of the Federal Reserve Act provides that "any Federal reserve bank may make application to the local Federal reserve agent for such amount of the Federal reserve notes, which the Federal reserve bank is authorized to issue, as it may require." Such application, it is provided, "shall be accompanied with a tender to the local reserve agent of collateral in amount equal to the sum of Federal reserve notes thus applied for and issued pursuant to such application."

Thus we find that, if The Bank of Texas joined the Regional bank system, The Bank of Texas could take its eighteen million dollars worth of bonds and deposit them with the Federal reserve agent, and get eighteen million dollars in Federal reserve notes, in emergencies, or so much thereof as permitted by the law under normal conditions, which are good for all dues in the United States. This further answers the question: "Where would The Bank of Texas get money to operate upon?" The answer is simple, and the supply of currency would be elastic and sufficient.

With \$18,000,000 of bonds, and \$15,000,000 of money gathered together which is now largely scattered and non-productive, The Bank of Texas would easily have resources equivalent to \$33,000,000. What an enormous help such an institution would be now "midst the Winter of our discontent!"

The proposition I have submitted to you, gentlemen of the Legislature, is eminently practical, a monument of strength and safety for the school fund investment, and promises financial emancipation of the State, increased earnings for the available school fund, and will give financial relief to the hundreds of thousands of our wealth producers. Besides, it will be able to prevent stagnation in business, will help move the crops and conserve their values, and in times of need will be a source of great help to all the banks in Texas—State and national—to those in the cities as well as those in the country.

## The Greatest Accomplishment.

The greatest accomplishment, so far, of President Wilson's administration, is

the enactment of the Regional bank law. But we all remember how bitterly the proposition was opposed by the banks, even here in Texas. It is not new, therefore, for the banks to fight any improvements that may be proposed to our banking and currency system.

The Regional bank law provides a way, and requires it to be followed, for concentrating bank reserves closer to the banks that create and control them, and takes away a part of the monopoly New York has enjoyed during all these years of the control of bank reserves.

The Regional bank law provides that municipal bonds may be deposited with the reserve agent, and United States notes or currency will be issued on them at face value. These bank notes will pay a tax to the government of 1 per cent, just as national bank notes do now. This feature will make all municipal bonds in Texas more desirable as an investment for Texas banks. The purpose of the provision is to bring such bonds into active use as a basis for circulation, upon the same theory that United States bonds are now used, for they represent public faith and the taxes levied against property and collected, are pledged to pay the interest and principal of the bonds.

With The Bank of Texas in operation, all these bonds could be purchased at home and the interest on them kept here and not be sent away. In times of need like these they could be used and would be used, to secure United States currency as explained, to move our crops and maintain their values—the public credits would be vitalized and become as circulating medium to help save values that are now being lost.

## Effect on State Banks.

State banks of \$25,000 capital and surplus as required, will be permitted to take stock in the regional bank, but one-half of the State banks in Texas, or more, can not meet the requirements, and therefore would not be eligible as stockholders in the regional bank. Those that are eligible will have to subscribe 6 per cent of their capital to become members of the regional bank, whereas, the proposed Bank of Texas would require 5 per cent. It is probable that most of the State banks eligible to join the regional reserve bank will surrender their State charters and nationalize, if the State does not provide for a strong central reserve bank such as is proposed. The Bank of Texas by the terms of the proposed law, is limited in the interest

charges it can make on loans of money to 6 per cent as a maximum. If The Bank of Texas is created, it would be unnecessary for any of the State banks to become members of the national regional reserve bank—The Bank of Texas becoming a member would answer the needs of all the 868 State banks and trust companies, which would work a saving to the State banks.

I respectfully solicit a fair and just consideration of the subject I have submitted to you, on its merits. It deserves this even at the hands of its enemies, for it is presented for the public good. If justly considered, even by those who oppose it now, they will see the safety and security it offers to the school fund, and the benefits it will bring to the public.

A fair consideration of the measure will show that its merits, and its safety, far outweigh the sentimental objections offered against it.

Respectfully,  
O. B. COLQUITT,  
Governor of Texas.

#### ADJOURNMENT.

On motion of Senator McNealus, the Senate, at 3:45 o'clock p. m., adjourned until 2 o'clock tomorrow afternoon.

#### APPENDIX.

##### PETITIONS AND MEMORIALS.

Senator McGregor presented a petition from citizens of Fort Bend county, numerous signed, and which was requesting adverse action by the Legislature on The Bank of Texas legislation. The petition was in response to a mass meeting of citizens held at Sugarland.

Senator Terrell presented a letter from D. R. Criswell, at Buckholts opposing the bank bill and giving notice of a petition from the citizens of that place.

Senator Astin presented a petition, numerous signed by citizens of Bryan, protesting against the passage of the bank bill.

Senator Hudspeth presented a petition addressed to the Governor, from numerous citizens of Kilgore, Gregg county, favoring the bank bill.

#### COMMITTEE REPORTS.

Committee Room,

Austin, Texas, September 29, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Finance Committee, to whom was referred

S. B. No. 2, A bill to be entitled "An Act making appropriation to pay the per diem of members, officers and employes of the Third Called Session of the Thirty-third Legislature of the State of Texas, convened September 23, 1914, by proclamation of the Governor, providing how accounts may be approved, and declaring an emergency,"

Have had the same under consideration and beg to report the same back to the Senate with the recommendation that it do pass, and be not printed.

WILLACY, Chairman.

Committee Room,

Austin, Texas, September 29, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Finance Committee, to whom was referred

S. B. No. 3, A bill to be entitled "An Act making appropriation of the sum of twelve thousand dollars, or so much thereof as may be necessary to pay the contingent expenses of the Third Called Session of the Thirty-third Legislature of the State of Texas, convened September 23, 1914, by the proclamation of the Governor; providing how accounts may be approved and declaring an emergency."

Have had the same under consideration and beg to report the same back to the Senate with the recommendation that it do pass, and be not printed.

WILLACY, Chairman.

Committee Room,

Austin, Texas, September 29, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed Bills have carefully compared Senate bill No. 2, and find same correctly engrossed.

TERRELL, Acting Chairman.

Committee Room,

Austin, Texas, September 29, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed

Bills have carefully compared Senate bill No. 3, and find same correctly engrossed.

TERRELL, Acting Chairman.

# SIXTH DAY.

Senate Chamber,  
Austin, Texas,

Wednesday, September 30, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, no quorum present, the following Senators answering to their names:

Astin.	McNealus.
Bailey of DeWitt.	Morrow.
Collins.	Nugent.
Conner.	Real.
Gibson.	Terrell.
Greer.	Townsend.
Johnson.	Watson.
Lattimore.	Westbrook.
McGregor.	Willacy.

Absent.

Bailey of Harris.	Harley.
Brelsford.	Henderson.
Clark.	Hudspeth.
Cowell.	Taylor.
Darwin.	Warren.
Hall.	Willacy.

Absent—Excused.

Carter.

Senator McNealus moved that the Senate adjourn until 10 o'clock tomorrow morning, which motion was lost.

On motion of Senator Terrell the Senate was at ease until 2:30 o'clock today.

At 2:30 o'clock the Senate was called to order by President Pro Tem. Morrow, the roll was called, a quorum being present, the following Senators answering to their names:

Astin.	McGregor.
Bailey of DeWitt.	McNealus.
Bailey of Harris.	Morrow.
Collins.	Nugent.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Greer.	Townsend.
Harley.	Watson.
Johnson.	Westbrook.
Lattimore.	Willacy.

Absent.

Brelsford.	Clark.
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Gibson.	Hudspeth.
Hall.	Warren.
Henderson.	Willacy.

Absent—Excused.

Carter.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, on motion of Senator Taylor the same was dispensed with.

## MESSAGE FROM THE GOVERNOR.

Here the following message from the Governor was read. Another message from the Governor was also received but not laid before the Senate at this time.

Governor's Office,

Austin, Texas, September 30, 1914.

To the Senate:

I hereby ask the advice and consent of the Senate to the appointment of Mr. Orvil G. Franz, of San Antonio, to be notary public in and for Bexar county, Texas.

I beg to say for the information of the Senate that other names will be sent later. The Senator from Bexar advises me that Mr. Franz's present employment depends upon his early confirmation, hence I am sending this message to you at this time to accommodate the Senator from Bexar and Mr. Franz.

Respectfully submitted,

O. B. COLQUITT,  
Governor.

(Senator Bailey of DeWitt in the chair.)

## EXECUTIVE SESSION.

Senator Real moved that the Senate go into executive session at once for the purpose of considering the above appointment.

The motion was unanimously adopted.

In executive session, the following confirmation was made, as reported to the Journal Clerk by the Secretary.

To be notary public for Bexar county: Orvil G. Franz.

## IN THE SENATE.

(Senator Bailey of DeWitt in the chair.)



## PETITIONS AND MEMORIALS.

Senator Hudspeth presented a letter signed by J. E. Cherry of Rockdale, Texas, favoring the passage of the Bank bill. The letter was referred to Judiciary Committee No. 1.

Senator Nugent presented a memorial from citizens of Navasota, in mass meeting, protesting against the passage of the Bank bill and a "Stay" law.

Senator Westbrook presented a telegram from R. F. Akridge, president First State Bank of Wolfe City, favoring the Bank bill.

Senator Harley presented a petition, numerously signed, from citizens at Lockhart opposing the Bank bill.

Senator Terrell presented a telegram from the First State Bank officers at Chilton, opposing Bank bill.

Senator Greer presented a petition, numerously signed by citizens of Camp county, favoring the Bank bill.

Senator Collins presented a telegram, addressed to Senator Real and signed by Hon. F. C. Weinert, who was at Weinert, Texas, favoring Bank bill.

Senator Hall presented telegrams from Louise and Glenflora, Texas, numerously signed, opposing the Bank bill.

Senator Taylor presented two telegrams from Temple, one signed "Farmers State Bank" and one C. E. Maedgen, opposing the Bank bill.

Senator Greer presented a telegram from T. G. Butler, president of State Bank at Tyler, and others favoring Bank bill. Also a communication, signed by A. L. Tisdale, Wills Point, favoring the Bank bill.

Senator Townsend presented telegrams and letters from Groveton and Trinity, numerously signed, opposing the Bank bill.

Senator Darwin presented a petition from citizens of Delta county opposing the Bank bill.

Senator Lattimore presented letters from Weatherford, signed by G. A. McCall; Tolar, signed by W. H. Jones; Mansfield, signed by J. H. Wright, all opposing the Bank bill.

Senator McGregor presented a letter addressed to Senator Hudspeth, from Hillsboro, and signed by A. L. Lowrey, opposing the Bank bill.

Senator Hudspeth presented a number of communications addressed to Governor Colquitt, in subject as follows:

Letter from W. O. Stamps to Hon. O. B. Colquitt calling attention to the condition of farmers of Gregg county as a result of the inability of retail merchants to extend to them a line of credit,

due to refusal of wholesale merchants to further supply local dealers. No remedy is suggested but attention invited to deplorable situation.

Letter from J. P. Wethers to Hon. O. B. Colquitt expressing appreciation of efforts in cotton situation. Calling attention to necessity of co-operation of bankers; endorsing the "buy-a-bale" movement; and suggesting that the Governor call convention of bankers, governors, and banking commissioners at New Orleans or Memphis as best method of restoring confidence.

Communication from J. P. Wethers to J. H. Connell, President Southern Cotton Association, offering solution of cotton marketing conditions and suggesting curtailment of crop for 1915 by diversification; approving "buy-a-bale" movement as a temporary relief; advocating convention of bankers, Governors, Banking Commissioners and Secretary McAdoo to formulate effective plan for reducing cotton acreage for 1915 as the best method for obtaining permanent relief.

Letter from Walter Clark of Clarksdale, Miss., to Hon. O. B. Colquitt, making statement that if Texas would pass law making it penal offense to grow cotton during year 1915, said law to be operative only upon passage of similar laws by Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Georgia, Florida, North and South Carolina, that in his opinion cotton would then advance 2 cents per pound.

Numerously signed letter to Hon. O. B. Colquitt from Boston, Bowie county, Texas, endorsing his proposed Bank bill.

Letter from Peter Radford to the Governor enclosing one from R. A. Ferris of Dallas, Texas, with assurances that State and national banks are doing all possible to relieve situation, and that more cannot be done by Federal government.

Letter from W. R. Timmons to Hon. O. B. Colquitt approving plan for Bank of Texas as the best method of relieving the farmers, and commending the good work of the Governor.

## MESSAGE FROM HOUSE.

Hall of the House of Representatives,  
Austin, Texas, September 30, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: I am directed by the House to

inform the Senate that the House has passed the following bills:

S. R. No. 2, Per diem of members, etc., Third Called Session, Thirty-third Legislature.

S. B. No. 3, Contingent expenses, Third Called Session, Thirty-third Legislature.

Respectfully,  
W. R. LONG,

Chief Clerk, House of Representatives.

#### SIMPLE RESOLUTION.

Senator McGregor presented the following, which was read and adopted:

Whereas, Mr. I. D. Eagan, the big-hearted Assistant Doorkeeper of the Texas Senate, has suffered a great and irreparable loss in the untimely death of his son, Earle, whose young manhood was rich in the promise of a useful citizenship; and

Whereas, Mr. Eagan has endeared himself to the members of this Senate in such a way that they deeply and keenly appreciate the sorrow and grief of him and his wife in this the loss of their only child; therefore, be it

Resolved, That the Texas Senate does hereby express to them both the sincere sympathy of this body, and that this resolution be printed in the Journal.

Signed—Hall, Bailey of DeWitt, Greer, Taylor, Wiley, Nugent, Conner, Collins, Johnson, Darwin, Townsend, Cowell, Morrow, Watson, Gibson, Westbrook, Hudspeth, McGregor, Bailey of Harris, Terrell, Real, Astin, McNealus, Harley, Lattimore.

#### LETTER OF APPRECIATION.

Senator Terrell presented the following letter, which was read to the Senate and directed to be printed in the Journal:

Little Rock, Ark.

Dear Senator Terrell:

The Senate Journal containing memorial of my dear husband reached me some days past. I have been prevented from thanking you by illness, and write as soon as I am able to do so.

It was like you, Senator Terrell, to offer the resolution and in keeping with the close friendship you and he always maintained.

I thank you, and I wish I could let

the other Senators know how much I appreciate their action.

Very truly, I am, your friend,  
MARION KENNEDY.

#### BILLS SIGNED.

The Chair, President Pro Tem. Morrow, gave notice of signing and did sign in the presence of the Senate, after their captions had been read, the following bills:

S. B. No. 2, Per diem bill for payment of members and employees.

S. B. No. 3, Providing for appropriation for contingent expenses.

#### SIMPLE RESOLUTION.

By Senator Willacy:

Whereas, Almighty God, in His Infinite wisdom, has called unto the heavenly circle the wife and companion of our ex-colleague the Honorable E. G. Senter, and,

Whereas, While unto each life some grief must some day come, and,

Whereas, It is a splendid truth that in such hours of sorrow the impulse of the human heart is moved to sympathy; therefore, be it,

Resolved, That the sympathy of the Senate of Texas is hereby extended to our friend and colleague in this his hour of grief.

Resolved further that this resolution be printed in the Journal of the Senate and that the Secretary of the Senate be and is hereby directed to forward a copy thereof to our bereaved companion and friend.

Signed—McNealus, Collins, Taylor, Bailey of Harris, Conner, Terrell, Willacy, Lattimore, Nugent, Bailey of DeWitt, Gibson, Watson, Townsend, Cowell, Hudspeth, Real, Greer, Harley, Hall, Wiley, Darwin, Morrow.

The resolution was read and unanimously adopted by a rising vote.

#### BILLS AND RESOLUTIONS.

Here Senator Terrell asked unanimous consent to withdraw S. C. R. No. 1, and there was no objection.

By Senator Westbrook:

Senate Concurrent Resolution No. 2:  
Whereas, By the acts of Congress of the United States \$323,000,000 of emer-

gency currency has been authorized to be issued by the national banks of the United States, \$300,000,000 of which has already been issued by the Federal government to this date, the greater portion of which has not been called for by the banks. Of this amount, \$60,000,000 has gone to the Southern States according to the official reports of the Secretary of Treasury McAdoo; and,

Whereas, In accordance with the laws of Congress the national banks of Texas are authorized and empowered to issue \$56,000,000 in emergency currency at this time, which amount the Secretary of Treasury of the United States has consented that said national banks of Texas may issue upon approved security to meet the present emergency; and,

Whereas, Said national banks of Texas have issued approximately only \$13,000,000 of said emergency currency to which said banks are entitled under the provisions of said law, leaving the sum of \$43,000,000 in such emergency currency which could be issued by said banks at this time; and,

Whereas, The scarcity of money at this time and the needs of the people of Texas demand for their relief the issuance of the full quota of emergency currency to which said national banks are entitled, therefore, be it,

Resolved by the Senate, the House of Representatives concurring, That as the representatives of the people, we urge upon said national banks of Texas to immediately make provision for issuance of said additional emergency currency at the earliest practical date, to be loaned to the people of Texas upon approved security, at a low rate of interest, in accordance with the intent and purposes of the acts of Congress authorizing the issuance of said emergency currency by said national banks.

We believe that if this action is taken on the part of said banks and the additional sum of \$43,000,000 in emergency currency is added to the circulating medium of this State that it will add materially to the relief of the people in their present financial needs; be it further

Resolved, That the Secretary of the Senate be and he is hereby directed to mail to each national bank in Texas a copy of this resolution.

The resolution was read, and Senator Conner offered the following amendment:

Amend the resolution. Subdivision 5, line 3, by striking out the words "said National Bank of Texas," and insert in

lieu thereof the following: "Such of the national Banks of Texas as may not have taken advantage of the Aldrich-Vreeland bill, as amended."

CONNER,  
NUGENT.

The amendment was read and adopted by the following vote:

Yeas—20.

Astin.	Lattimore.
Bailey of DeWitt.	Morrow.
Bailey of Harris.	Nugent.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Hudspeth.	Wiley.
Johnson.	Willacy.

Nays—3.

Collins.	Westbrook.
McNealus.	

Absent.

Brelsford.	Henderson.
Clark.	McGregor.
Hall.	Warren.
Harley.	

Absent—Excused.

Carter.

Senator Gibson moved to refer the resolution, as amended, to the Committee on Federal Relations.

Senator Collins moved to table the motion to refer the resolution, which motion to table was lost by the following vote:

Yeas—10.

Collins.	Taylor.
Greer.	Terrell.
Hudspeth.	Townsend.
Johnson.	Westbrook.
McNealus.	Willacy.

Nays—13.

Astin.	Lattimore.
Bailey of DeWitt.	Morrow.
Bailey of Harris.	Nugent.
Conner.	Real.
Cowell.	Watson.
Darwin.	Wiley.
Gibson.	

Absent.

Brelsford.	Henderson.
Clark.	McGregor.
Hall.	Warren.
Harley.	

Absent—Excused.

Carter.

The motion to refer the resolution to the Committee on Federal Relations was then adopted.

#### MESSAGE FROM THE GOVERNOR.

The Chair laid the following message from the Governor before the Senate, received this afternoon, which was read:

Governor's Office,

Austin, Texas, September 30, 1914.

To the Senate and House of Representatives:

In harmony with clause 2 of the Governor's proclamation convening the Thirty-third Legislature in Third Extra Session, and as required by the provisions of Section 40 of Article 3 of the Constitution of Texas, I present to you the following additional subjects for legislation, to wit:

An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of this act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank as well as all banks which do not become members of a Federal reserve bank, and stating how and in what manner and where such reserve shall be maintained; prescribing that State banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State banking corporations which become members of a Federal reserve bank to conform to the Federal law as now or hereafter enacted and all rules and regulations promulgated relative thereto by lawful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State

banks becoming members of a Federal reserve bank shall be required to conform to the provisions of law imposed upon national banks respecting limitations of liability and prohibitions against making purchases of or loans on stocks of such banks, and, to withdrawal or impairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal reserve board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions and defining the terms of such discounts; prescribing that the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or other liquidating agency appointed; prescribing a limitation on loans which may be made to any individual, corporation, company or firm by a banking corporation, chartered under the laws of this State, and providing such limitations shall not apply to any trust company whose demand deposits are not in excess of its interest bearing deposits; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State; prescribing the amount of indebtedness which may be created by a banking corporation chartered under the laws of this State, and declaring an emergency.

This question was presented to the Legislature at the Second Called Session, and a bill was passed on this subject. However, provisions were inserted in the measure which in my opinion weaken the efficiency of the State banking system. One of the strong points of the State banking law is the frequent examinations now provided by law. This is recognized as a strong point in the law by all persons familiar with it. By the terms of the bill as passed, the compulsory examinations by the banking department of State banks is reduced to two a year, one every six months. My experience as Governor in co-operating

with the Commissioner of Insurance and Banking for a strong enforcement of the banking laws of the State, leads me to the conclusion that this provision alone would be destructive of the State banking laws.

It is further provided in the bill passed by the Second Called Session of the Legislature, which is now in my hands, that a bank of less than \$25,000 capital can loan twenty per cent of the capital stock of the bank to any one person, firm or corporation, whereas, the bill provides that only 10 per cent can be loaned to any one person, firm or corporation by a bank of \$25,000 capital and over. I think that this provision should be harmonized so that the amount which can be loaned to any person, firm, or corporation by any State bank, regardless of its capital, should be confined to 10 per cent of its capital. There are serious errors in the bill. Evidently amendments offered to Section 8 were enrolled as a part of Section 10, thus making Section 10 ambiguous and rendering the section practically meaningless.

I re-submit the question to the Legislature, hoping that the two houses will promptly pass the bill in harmony with the suggestions herein submitted. It is desirable that the required reserves of State banks of \$25,000 capital and over be reduced to fifteen per cent of their deposits, which would be in line with the national banking laws. I do not think it would be advisable to reduce the reserve now required of State banks of less than \$25,000 capital. It is also desirable that the banks which are eligible to join the regional banking system of the United States may be permitted to do so by a proper amendment of the State banking law.

I also present to you the following subject for consideration, to wit:

"The enactment of a law prohibiting the operation of a corporation for the dual purpose of owning, controlling or operating a cotton seed oil mill and of owning, controlling and operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill from owning, controlling or operating, directly or indirectly, a public cotton gin in this State and vice versa, providing suitable penalties, forfeitures and punishment and procedure for the enforcement of the act; prohibiting any interference with or restriction of competition in the sale, handling or marketing of cotton seed; giving all corporations engaged in the

business of operating cotton seed oil mills that now own or control or operate public cotton gins and vice versa, a reasonable time from the taking effect of this act to sell or otherwise dispose of their gin or cotton seed oil mill property and interest, as the case may be; punishing all domestic and foreign corporations having no legal authority or permit to do a ginning or cotton seed oil mill business, to be in any manner engaged in or any manner interested therein in this State, or to own any stock or interest in any corporation, foreign or domestic, or joint stock associations or partnerships, so engaged; providing penalties and punishment and procedure for all corporations and persons violating the act."

"Also an act prohibiting individuals from pursuing the dual purpose of owning, operating and controlling a cotton seed oil mill business and a public ginning business, where the same are so operated under circumstances that suppress or tend to suppress competition in the sale, marketing and handling of cotton seed and providing suitable fines, forfeitures and punishment for the violation of the act."

The foregoing subjects were presented to you at the previous special session, but I understand that bills failed to reach me on these subjects because of a disagreement between the two houses. The subjects are important, and the latter is particularly important because it has for its purpose the protection of the producer against combinations in the control of the price of cotton seed. I respectfully urge prompt action in the passage of bills upon these subjects for the relief of the people.

Respectfully,

O. B. COLQUITT,

Governor of Texas.

#### SIMPLE RESOLUTION.

By Senator Willacy:

Whereas, It is rumored that the banks and bank and trust companies of Texas are refusing to make loans of funds under their control; and

Whereas, It is stated that restriction of loans by said banks and bank and trust companies is largely due to the possibility or fear that a moratorium or "stay law" may be enacted by the Legislature, under the provisions of which there could be no reasonable assurance of the payment of loans, if made, at maturity; and

Whereas, A reasonable certainty that loans will be paid according to the terms of the contract is an essential consideration encouraging the loan of money; and

Whereas, Inability to secure accommodation from the said banks and trust companies is seriously retarding the business and prosperity of the State; therefore, be it

Resolved, That the Senate of Texas, in Third Called Session of the Thirty-third Legislature, does hereby pledge itself to the people of Texas whose industries are so retarded that no moratorium or "stay law" shall be enacted by the Thirty-third Legislature either now or hereafter to be in session.

Signed—Willacy, Cowell, Nugent, Real, Townsend, Taylor, Johnson, Greer, Lattimore, Bailey of Harris, Hall, Watson, Wiley.

The resolution was read and adopted by the following vote:

Yeas—20.

Astin.	Lattimore.
Bailey of DeWitt.	McNealus.
Bailey of Harris.	Morrow.
Collins.	Nugent.
Cowell.	Real.
Darwin.	Taylor.
Gibson.	Townsend.
Greer.	Watson.
Hudspeth.	Wiley.
Johnson.	Willacy.

Nays—2.

Conner. Westbrook.

Absent.

Brelsford.	Henderson.
Clark.	McGregor.
Hall.	Terrell.
Harley.	Warren.

Absent—Excused.

Carter.

#### REASONS FOR VOTING.

I am opposed to a moratorium, but believe this resolution out of place and the spirit of it wrong. I therefore vote "no."

CONNER.

#### BILLS AND RESOLUTIONS.

By Senators Carter and Collins:

S. B. No. 4. A bill to be entitled "An Act prohibiting the operation of

a corporation for the dual purpose of owning, controlling or operating a cotton seed oil mill, and of owning, controlling or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures, and procedure for enforcing this act; prohibiting any interference with or restrictions of competition in the sale, handling or marketing of cotton seed; giving all corporations engaged in the business of operating cotton seed oil mills, that now own, control or operate public cotton gins a reasonable time, to sell or otherwise dispose of their gin properties and interests, and fixing the time when this law shall take effect, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cotton seed oil mill business to be in any manner engaged or in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punishments and procedure for all corporations and persons violating this act."

Read first time and referred to Judiciary Committee No. 1.

#### SIMPLE RESOLUTION.

By Senator Conner:

Amend Section 1700, Rule 7 of Rules of the Senate on page 757, Legislative Manual, 1913.

Amend Section 1700, Rule 7, so that the same shall read as follows:

"A Secretary, Assistant Secretary, Journal Clerk, Calendar Clerk, Engraving Clerk, Enrolling Clerk, Sergeant-at-Arms, Assistant Sergeant-at-Arms, Doorkeeper, Assistant Doorkeeper, Chaplain, and such other officers as may be necessary, shall be elected at the opening of the session of the Legislature to continue in office until discharged by the Senate, who shall perform such duties as may be incumbent upon them in their respective offices, under the direction of the Senate, and at any time when it may appear there are more employees than are necessary as such employees as the Senate may direct shall be discharged."

The resolution was read and referred to the Committee on Rules.

## SIMPLE RESOLUTION.

By Senator Watson:

Resolved, By the Senate that postage stamps in an amount not exceeding in total, \$6 be furnished the desks of the Secretary and Journal Clerk.

The resolution was read and adopted.

## ADJOURNMENT.

On motion of Senator Morrow the Senate, at 6 o'clock p. m., adjourned until 2 o'clock tomorrow afternoon.

## APPENDIX.

## COMMITTEE REPORTS.

Committee Room,  
Austin, Texas, September 30, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Committee on Enrolled Bills have carefully examined and compared Senate bill No. 2, and find it correctly enrolled, and have this day, at 3:45 o'clock p. m., presented same to the Governor for his approval.

GIBSON, Chairman.

Committee Room,  
Austin, Texas, September 30, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Committee on Enrolled Bills have carefully examined and compared Senate bill No. 3, and find it correctly enrolled, and have this day, at 3:45 o'clock p. m., presented same to the Governor for his approval.

GIBSON, Chairman.

## SEVENTH DAY.

Senate Chamber,  
Austin, Texas,  
Thursday, October 1, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, no quorum present, the following Senators answering to their names:

Astin.	Lattimore.
Bailey of DeWitt.	McNealus.
Bailey of Harris.	Morrow.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Townsend.
Greer.	Westbrook.
Hudspeth.	Wiley.
Johnson.	Willacy.

Absent.

Brelsford.	Henderson.
Darwin.	McGregor.
Gibson.	Terrell.
Hall.	Warren.
Harley.	Watson.

Absent—Excused.

Carter.

There being no quorum present, Senator McNealus moved that the Senate adjourn until tomorrow afternoon at 2 o'clock.

Senator Clark moved, as a substitute, that the Senate recess until 2:30 o'clock today.

Action being on the longest time first, the motion to adjourn until 2 o'clock tomorrow, was adopted by the following vote:

Yeas—10.

Collins.	McNealus.
Conner.	Real.
Greer.	Taylor.
Hudspeth.	Wiley.
Johnson.	Willacy.

Nays—9.

Astin.	Morrow.
Bailey of Harris.	Nugent.
Clark.	Townsend.
Cowell.	Westbrook.
Lattimore.	

Absent.

Bailey of DeWitt.	Henderson.
Brelsford.	McGregor.
Darwin.	Terrell.
Gibson.	Warren.
Hall.	Watson.
Harley.	

Absent—Excused.

Carter.

## EIGHTH DAY.

Senate Chamber,  
Austin, Texas,  
Friday, October 2, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, a quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Clark.	McNealus.
Collins.	Morrow.
Conner.	Nugent.
Cowell.	Real.
Darwin.	Taylor.
Gibson.	Terrell.
Greer.	Townsend.
Hall.	Watson.
Harley.	Westbrook.
Henderson.	Wiley.
Hudspeth.	Willacy.

Absent.

Astin.

Absent—Excused.

Carter.

Warren.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Westbrook.

#### EXCUSED.

Senator Willacy moved that Senator Warren be excused for non-attendance upon the Senate for all of this week.

The motion was adopted.

#### PETITIONS AND MEMORIALS.

Senator Nugent presented a letter from J. C. Feggin, Livingston, Texas, opposing the Bank bill.

Senator Morrow presented a letter from J. O. Carter, Ennis, Texas, opposing the Bank bill.

Senator McGregor presented a numerous signed petition from citizens from Lampasas county opposing the Bank bill.

Senator Henderson presented a letter from D. H. Allday, cashier of Farmers State Bank, Atlanta, Texas, favoring Bank bill, and one from Bob Hart, Texarkana, Texas, opposing Bank bill.

Senator Gibson presented a telegram from J. S. Williams, Paris, Texas, proposing referring the matter of Bank of Texas bill back to the people, and a letter from bank officers at Leonard, Texas, opposing Bank bill.

Senator Taylor presented a telegram from citizens of Temple opposing Bank bill.

Senator McGregor presented a communication from Waxahachie, opposing Bank bill.

Senator Greer presented telegrams from State bank officers at Wills Point and Tyler, opposing Bank bill.

Senator Westbrook presented a letter from L. A. Clark, Greenville, Texas, favoring Bank bill.

Senator Johnson presented a letter from Joseph Schmidt, Vernon, Texas, favoring Bank bill.

Senator Brelsford presented a petition from citizens of Cisco, Texas, opposing Bank bill.

Senator Darwin presented a petition from citizens of Delta county opposing the Bank bill.

Senator Bailey of Harris presented a letter from Edgar H. Farrar, relating to the Bank bill.

Senator Terrell presented a numerous signed petition from citizens of Buckholts, Texas, opposing the Bank bill.

Senator Hudspeth presented a letter, addressed to Governor Colquitt and signed by ex-Senator D. E. Decker of Quanah, favoring Bank bill.

#### MESSAGE FROM THE GOVERNOR.

Here a messenger from the Governor appeared at the bar of the Senate and delivered a "message from the Governor." The message went to the table pending the completion of the morning call and the Senate adjourned before it was reached.

#### SIMPLE RESOLUTION.

Senator Townsend offered a simple resolution relating to the committee report on S. B. No. 1, the bank bill.

The resolution was read and several points of order made on it, and pending the discussion unanimous consent was asked to withdraw same. There was objection to the withdrawal and Senator Lattimore offered a substitute for the resolution. After discussion, both the substitute and the original were withdrawn by unanimous consent.

#### ADJOURNMENT.

On motion of Senator Terrell, the Senate, at 3:40 o'clock p. m., adjourned until 10 o'clock tomorrow morning.



## APPENDIX.

## COMMITTEE REPORTS.

Committee Room,  
Austin, Texas, October 1, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: Your Committee on Judiciary  
No. 1, to whom was referred

S. B. No. 4, A bill to be entitled  
"An Act prohibiting the operation of a  
corporation for the dual purpose of own-  
ing, controlling, or operating a cotton  
seed oil mill, and of owning, controlling,  
or operating a public gin; also prohibit-  
ing a corporation chartered for the pur-  
pose of operating a cotton seed oil  
mill, from owning, controlling or operat-  
ing, directly or indirectly, a public gin  
in this State; providing suitable penal-  
ties, forfeitures and procedure for en-  
forcing this act; prohibiting any inter-  
ference with or restrictions of competi-  
tion in the sale, handling, or marketing  
of cotton seed; giving all corporations  
engaged in the business of operating  
cotton seed oil mills, that now own, con-  
trol or operate public cotton gins a rea-  
sonable time to sell or otherwise dispose  
of their gin properties and interests, and  
fixing the time when this law shall take  
effect, punishing domestic and foreign  
corporations having no legal authority or  
permit to do a ginning or cotton seed  
oil mill business to be in any manner  
engaged or in any manner interested  
therein in this State, or to own stock  
or any interest in any corporation, for-  
eign or domestic, or joint stock associa-  
tion or partnership, so engaged; provid-  
ing penalties, punishment and procedure  
for corporations and persons violating  
this act,"

Have had the same under considera-  
tion and I am instructed to report the  
same back to the Senate with the rec-  
ommendation that it do pass.

MORROW, Chairman.

Committee Room,  
Austin, Texas, October 1, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: Your Committee on Federal Re-  
lations, to whom was referred Senate  
Concurrent Resolution No. 2, a resolu-  
tion reading as follows:

"Whereas, By the Acts of Congress  
of the United States \$323,000,000 of

emergency currency has been authorized  
to be issued by the national banks of  
the United States, \$300,000,000 of which  
has already been issued by the Federal  
Government to this date, the greater  
portion of which has not been called for  
by the banks. Of this amount \$60,000,-  
000 has gone to the Southern States ac-  
cording to the official reports of the  
Secretary of Treasury, McAdoo; and,

"Whereas, In accordance with the laws  
of Congress the national banks of Texas  
are authorized and empowered to issue  
\$56,000,000 in emergency currency at this  
time, which amount the Secretary of  
Treasury of the United States has con-  
sented that said national banks of Texas  
may issue upon approved security to  
meet the present emergency; and,

"Whereas, Said national banks of  
Texas have issued approximately only  
\$13,000,000 of said emergency currency  
to which said banks are entitled under  
the provisions of said law, leaving the  
sum of \$43,000,000 in such emergency  
currency which could be issued by said  
banks at this time; and,

"Whereas, the scarcity of money at  
this time and the needs of the people  
of Texas demand for their relief the  
issuance of the full quota of emergency  
currency to which said national banks  
are entitled; therefore, be it

"Resolved by the Senate, the House  
of Representatives concurring, That as  
the representatives of the people, we  
urge upon said national banks of Texas  
to immediately make provision for is-  
suance of said additional emergency cur-  
rency at the earliest practical date, to  
be loaned to the people of Texas upon  
approved security, at a low rate of in-  
terest, in accordance with the intent and  
purposes of the Acts of Congress au-  
thorizing the issuance of said emergency  
currency by said national banks.

"We believe that if this action is taken  
on the part of said banks and the addi-  
tional sum of \$43,000,000 in emergency  
currency is added to the circulating me-  
dium of this State that it will add ma-  
terially to the relief of the people in  
their present financial needs; be it fur-  
ther

"Resolved, that the Secretary of the  
Senate be and he is hereby directed to  
mail to each national bank in Texas a  
copy of this resolution."

Have had same under consideration,  
and beg to report same back to the Sen-  
ate with the recommendation that it be  
adopted with the following committee  
amendment, and be not printed:

Amend the resolution, subdivision 5,

line 3, by striking out the words "said national banks of Texas" and insert in lieu thereof the following: "Such of the national banks of Texas as may not have taken advantage of the Aldrich-Vreeland bill as amended."

WESTBROOK, Chairman.

#### NINTH DAY.

Senate Chamber,  
Austin, Texas,

Saturday, October 3, 1914.

The Senate met pursuant to adjournment.

The President of the Senate being absent, the Senate was called to order by the Secretary, W. V. Howerton.

The roll was called, a quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Collins.	McNealus.
Conner.	Nugent.
Cowell.	Real.
Darwin.	Taylor.
Gibson.	Terrell.
Greer.	Townsend.
Hall.	Watson.
Harley.	Westbrook.
Henderson.	Wiley.
Hudspeth.	Willacy.

Absent.

Clark.

Absent—Excused.

Astin.

Morrow.

Carter.

Warren.

Prayer by the Chaplain.

#### ELECTION OF PRESIDENT PRO TEM. AD INTERIM.

The Chair announced that on account of the absence of the President of the Senate the election of a President Pro Tem. Ad Interim was in order, whereupon,

Senator Nugent placed in nomination Senator Taylor of Bell county.

Senators Hudspeth and Gibson seconded the nomination.

There being no other nominations, the Chair declared nominations closed.

Senators Greer, Westbrook and Johnson were appointed as tellers.

The ballot resulted in Senator Taylor receiving 22 votes, and was declared duly and constitutionally elected.

Senators Nugent and Collins were appointed as a committee to escort Senator Taylor to the President's stand, whereupon the constitutional oath of office was administered to him by the Secretary.

(President Pro Tem. Ad Interim Taylor presiding.)

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Bailey of Harris.

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives.  
Austin, Texas, October 3, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed a simple resolution inviting the Governor to address the House on the "Bank Bill," at 10 a. m. today, and inviting the members of the Senate to be present.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

#### EXCUSED.

On account of important business:  
Senator Astin, for yesterday and today, on motion of Senator Bailey of DeWitt.

Senator Morrow, for today and Monday, on motion of Senator Bailey of DeWitt.

Senator Henderson, for non-attendance, from last Wednesday until yesterday, on account of sickness in family, on motion of Senator Hudspeth.

Senator Harley, for non-attendance Monday, on motion of Senator Darwin.

Senator Johnson, for non-attendance Monday and Tuesday, on motion of Senator Westbrook.

Senator Nugent, for non-attendance Monday and Tuesday, on motion of Senator Cowell.

#### SIMPLE RESOLUTION.

By Senator Terrell:

Whereas, When a vacancy occurs in the Lieutenant Governor's office, the

president pro tempore of the Senate is authorized under the Constitution to perform the duties of the Lieutenant Governor, and,

Whereas, The Constitution provides that, "The Senate shall at the beginning and close of each session, and at such other times as may be necessary, elect one of its members president pro tempore, who shall perform the duties of the Lieutenant Governor in any case of absence or disability of that officer and whenever the said office of Lieutenant Governor shall be vacant," and,

Whereas, At the beginning of this called session, as provided by the Constitution, the Senate elected Hon. W. C. Morrow of Hill county as president pro tempore, and,

Whereas, On account of the absence of the president pro tempore, it has become necessary to elect another president pro tempore of this Senate, and the Senate, as the Constitution directs, has elected Hon. C. W. Taylor of Bell county President Pro Tempore of this Senate; now, therefore, be it

Resolved by the Senate, That we respectfully request an opinion from the Attorney General's Department as to whether or not the said C. W. Taylor shall hold the office of president pro tempore of this Senate until the close of said session or until it becomes necessary to elect another as president pro tempore, or whether or not upon his return to the Senate, the said W. C. Morrow, who was elected at the beginning of this session, shall resume his duties as president pro tempore of this Senate.

The resolution was read and laid on the table subject to call.

#### ACCEPTS INVITATION TO HEAR SPEAKING IN HOUSE.

On motion of Senator Hudspeth, the Senate accepted the invitation of the House to hear the address of Governor Colquitt before that body.

#### ADJOURNMENT.

On motion of Senator Hudspeth the Senate, at 10:30 o'clock a. m., adjourned until 10 o'clock Monday morning.

#### APPENDIX.

##### COMMITTEE REPORTS.

(Majority Report.)

Committee Room,  
Austin, Texas, October 3, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: Your Committee on Judiciary No. 1, to whom was referred

S. B. No. 1, A bill to be entitled "An Act to establish 'The Bank of Texas,' and defining the purpose and method of its organization, its rights, privileges," etc.

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do not pass.

LATTIMORE, Acting Chairman.

(Minority Report.)

Committee Room,  
Austin, Texas, October 3, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: We, a minority of your Committee on Judiciary No. 1, to whom was referred Senate bill No. 1, have had the same under consideration and beg leave to report the same back to the Senate with the recommendation that it do pass.

HUDSPETH.  
WILLACY.  
COLLINS.  
WESTBROOK.  
MCNEALUS.  
GREER.  
CONNER.  
WATSON.  
TAYLOR.  
BRELSFORD.

#### TENTH DAY.

Senate Chamber,

Austin, Texas,  
Monday, October 5, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Ad Interim Taylor.

Roll call, a quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	McGregor.
Clark.	McNealus.
Collins.	Nugent.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Henderson.	

Absent.

Real.

Absent—Excused.

Astin.  
Morrow.

Warren.

Prayer by Rev. Godbey of Austin.

Pending the reading of the Journal of Saturday, the same was dispensed with on motion of Senator Johnson.

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#### EXCUSED.

On account of important business: Senator Astin, for today, on motion of Senator Bailey of DeWitt.

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#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, October 5, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: I am directed by the House to inform the Senate that the House has adopted the following simple resolution, inviting the Senate to hear the address of Hon. Chester H. Terrell, Speaker of the House, on the Bank of Texas bill at 10 a. m. today.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

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#### PETITIONS AND MEMORIALS.

Senator Hudspeth presented a telegram, addressed to Gov. Colquitt and signed by Hon. A. Parr of Benavides, Texas, favoring the Bank bill. Also a letter to Gov. Colquitt and signed by former Senator Ratliff of Cooper, Texas, favoring Bank bill as well as a law reducing the cotton acreage for next year.

Senator Collins presented a letter addressed to Gov. Colquitt and signed by W. W. Meacham of Grimes county favoring stay law and Bank bill.

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#### SIMPLE RESOLUTION.

By unanimous consent, Senator Townsend was permitted to offer the following resolution:

I move that the Senate do now recess and accept the House of Representatives' invitation to hear the Speaker of the House discuss the Bank bill and that the Senate reconvene on this afternoon at 3 o'clock.

The resolution was read and unanimous consent was granted for the presentation of further petitions.

Senator Lattimore presented a telegram from Mrs. Mary L. Wright, president of the Ft. Worth Federation of Women's Clubs, opposing Bank bill; also a telegram signed by Continental Bank and Trust Co., Ft. Worth State Bank, Exchange State Bank, North Texas State Bank, Texas State Bank of Ft. Worth, opposing Bank bill.

Senator Cowell presented a letter from Bells, signed by Tom Wells opposing Bank bill.

Action here recurred on the resolution by Senator Townsend and Senator Westbrook made the point of order that the resolution was out of order since the order of business "Bills and Resolutions" had not been reached.

The Chair overruled the point of order.

Senator Hudspeth then objected to the consideration of the resolution out of its order, but the Chair held that since unanimous consent had been granted to offer the resolution it would be in order to consider it.

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#### RECESS.

Here Senator Townsend moved that the Senate recess until 3 o'clock today. The motion was adopted.

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#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by Senator Taylor, President Pro Tem. Ad Interim.

## SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Hudspeth:

Whereas, As the ladies of Austin desire the Senate Chamber on next Friday night, October 9th, for the purpose of holding a reception; therefore, be it

Resolved, That their request be acceded to and that the said Senate Chamber is hereby tendered to the ladies of Austin for said purpose.

The resolution was read and adopted.

## SIMPLE RESOLUTION.

Under the head of "Bills and Resolutions," Senator Terrell called up from the table a resolution introduced by him on Saturday, and which was on the table subject to call.

(Senator Hudspeth in the chair.)

The resolution was read (see Journal of Saturday for the resolution in full).

The resolution was, in substance, requesting the Attorney General for an opinion with reference to the election of a President Pro Tem. Ad Interim, necessary by the Senate, on account of the absence of Senator Morrow, elected President Pro Tem. at the beginning of this the Third Called Session.

Senator McNealus offered the following amendment:

Amend the resolution by striking out all of the last paragraph and substitute the following words:

"Now, therefore, be it resolved that the Hon. C. W. Taylor be declared President Pro Tem. of the Senate for the remainder of the current session, or until he shall be constitutionally disqualified to fill said office."

The amendment was read and Senator Bailey of Harris moved to table the same, which motion to table was adopted by the following vote:

Yeas—15.

Bailey of DeWitt.	Hall.
Bailey of Harris.	Hudspeth.
Brelsford.	Lattimore.
Carter.	Terrell.
Conner.	Townsend.
Cowell.	Wiley.
Darwin.	Willacy.
Gibson.	

Nays—6.

Collins.	Johnson.
Greer.	McNealus.
Henderson.	Westbrook.

Present—Not Voting.

Taylor.

Absent.

Clark.  
Harley.  
McGregor.

Nugent.  
Real.  
Watson.

Absent—Excused.

Astin.  
Morrow.

Warren.

The resolution was read and adopted.  
(Senator Taylor, President Pro Tem.  
Ad Interim, in the chair.)

## SIMPLE RESOLUTION.

By Senator Conner:

Whereas, There is no Senate rule making it the duty of anyone to ascertain the number of employes necessary for the transaction of the business of the Senate; therefore, be it

Resolved, That the Committee on Rules be and they are hereby requested to submit a rule for a committee on employes to investigate and ascertain the number of such employes necessary for the transaction of its business, and prescribing the duties of such committee as to employment and discharge of employes.

The resolution was read and Senator McNealus made the point of order that the resolution was out of order since a similar resolution was now before the Committee on Rules.

Senator Terrell made the further point of order that the Senate had, at the beginning of the session, fixed the matter that the resolution sought to amend, etc.

The Chair (Senator Taylor) overruled the point of order.

Senator Brelsford moved to table the resolution, which motion to table was lost by the following vote:

Yeas—6.

Bailey of Harris.	Hall.
Brelsford.	McNealus.
Darwin.	Terrell.

Nays—13.

Carter.	Lattimore.
Conner.	Taylor.
Cowell.	Townsend.
Gibson.	Westbrook.
Greer.	Wiley.
Hudspeth.	Willacy.
Johnson.	

Present—Not Voting.

Bailey of DeWitt. Collins.

Absent.

Clark.	Nugent.
Harley.	Real.
Henderson.	Warren.
McGregor.	Watson.

Absent—Excused.

Astin. Morrow.

(Senator Johnson in the chair.)

Senator Brelsford made the point of order that the Constitution provided that the Legislature be its own judge of such officers as were needed, etc., and further that the Senate rule controlled the matter in question.

The Chair (Senator Johnson) over-ruled the point of order.

On motion of Senator Brelsford, the further consideration of the resolution was postponed until tomorrow morning after the conclusion of the morning call.

#### SIMPLE RESOLUTION.

By Senator Hudspeth:

Be it resolved by the Senate, That the President of the Senate designate either a page or a porter to be in constant attendance at the Senate booth in order to promptly communicate any calls to party desired, the same being Senators, officers or employes of said Senate; be it further

Resolved, That the President designate a porter to sit in the Senate Chamber at night until the lights are extinguished in order to guard the desks of the members to the end that nothing be purloined from said desks.

The resolution was read and adopted.

#### BILLS AND RESOLUTIONS.

By Senator Bailey of DeWitt et al.:

S. B. No. 5, A bill to be entitled "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal re-

serve bank, and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank, and stating how and in what manner and where such reserve shall be maintained; prescribing that State banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State banking corporations which become members of a Federal reserve bank to conform to the Federal law as now or hereafter enacted and all rules and regulations promulgated relative thereto by lawful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State banks becoming members of a Federal reserve bank shall be required to conform to the provisions of law imposed upon national banks, respecting limitations of liability and prohibitions against making purchases or loans on stock of such banks and, to withdrawal or impairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal reserve board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions, and defining the term of such discount; prescribing that the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or other liquidating agency appointed; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State;

prescribing the amount of indebtedness which may be created by a banking corporation chartered under the laws of this State, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

#### SIMPLE RESOLUTION.

By Senator Westbrook:

Whereas, C. A. Duff, an employee of the Senate, has resigned his position, therefore, be it

Resolved, That he be taken off the payroll of the Senate.

The resolution was read and adopted.

#### RECESS.

On motion of Senator Brelsford, the Senate, at 6 o'clock p. m., recessed until 10 o'clock a. m. October 6, 1914.

#### AFTER RECESS.

(Tuesday, October 6, 1914.)

The Senate was called to order by President Pro Tem. Morrow.

#### MESSAGE FROM THE GOVERNOR.

Here a messenger from the Governor's office appeared at the bar of the Senate and delivered a message from the Governor.

Senator Johnson moved that all messages, recently received from the Governor and not having been read, be read to the Senate.

The motion was adopted.

Senator Brelsford here moved that the Senate adjourn until 3 o'clock today, but the motion was lost.

#### MESSAGES FROM THE GOVERNOR.

The following message, received October 1, was read, and directed to be printed:

Governor's Office,  
State of Texas.

Austin, October 1, 1914.

To the Senate and House of Representatives:

By virtue of the authority vested in the Governor by Section 40, Article III, of the Constitution of Texas, and in harmony with clause two of the proclama-

tion convening the present special session of the Legislature, I present to you the following additional subject for legislation:

"An Act to create a Board of Arbitration and Award, to be styled 'The Commission of Appeals of Texas,' defining the powers and duties thereof; prescribing practice and procedure applicable thereto; prescribing the term of office and the manner of appointment; fixing the salaries of said commissioners; giving them power and authority to employ stenographers and porters and to purchase such furniture, furnishings and stationery as may be necessary; and conferring authority upon the Supreme Court to make such orders and to take such action as may be necessary to conform to the provisions of the act; prescribing certain duties for the clerk of the Supreme Court and authorizing the said Commission to use a seal; defining its jurisdiction and making an appropriation to carry out the provisions of the act, and declaring an emergency."

I received a petition signed by practically the entire membership of the Senate and House of Representatives asking me to submit this question to the Legislature during the Second Called Session of the Thirty-third Legislature.

It is alleged that the Supreme Court is several years behind with its business, and that litigants are suffering injustice as result of delay in securing final determination of causes now pending before the Supreme Court in which they are interested. I have been assured that if the question herewith presented were submitted that it would not consume but little if any of the time which would otherwise be devoted to the important questions already submitted to you for the financial relief of the people of Texas. Your petition, however, requested that I submit the question of creating the 'Commission of Appeals of Texas to consist of six members sitting in two sections.' I do not believe that a commission composed of six members, and sitting in two sections, is necessary. I suggest that the payment of reasonably good salaries, say, \$4500 per annum, and making the term of office six years, as you are authorized to do by recent amendment to the Constitution, that the Governor could induce lawyers of better ability and longer experience to accept the positions.

Respectfully submitted.

O. B. COLQUITT.  
Governor of Texas.

The following message received October 2 was read and directed to be printed:

Governor's Office,  
State of Texas.

Austin, October 2, 1914.

To the Senate and House of Representatives:

I herewith transmit to you as a part of the attached message the opinion of the Attorney General, in which he discusses various features of the bill now pending before the Legislature for the establishment of The Bank of Texas.

The opinion sustains the constitutionality of the bill in all of its features, and I bespeak for the opinion the careful consideration of the representatives of the people.

Respectfully submitted.

O. B. COLQUITT,  
Governor of Texas.

Austin, Texas, September 26, 1914.

Hon. O. B. Colquitt, Governor, Capitol.

Dear Sir: Since this opinion is to be written primarily for transmission to the Legislature, for the information of those members who desire to investigate the legal questions involved, we deem it proper to say at the outset that nothing said herein is intended in any degree to be a suggestion as to the propriety or policy of enacting or failing to enact into law the proposed bill for the establishment of The Bank of Texas. It is beyond the province of this Department to advise either Your Excellency or the Legislature in matters of policy, but our endeavors are confined solely to legal questions and to such statements of fact and such review of matters of history as will be of assistance in determining the force and reasons of such conclusions as may be reached by us.

We wish it understood, therefore, that in this opinion we are not saying that the proposed measure is a good one, nor are we saying that it is a bad one, for those questions are ones peculiarly within your jurisdiction and within that of the Legislature.

#### I.

The general purpose of the bill creating The Bank of Texas is stated in the second section thereof, as follows:

"The purpose of the creation of The Bank of Texas is to provide a fiscal agency for the State, its counties, municipal corporations and all districts

heretofore or hereafter created, with the power to levy and collect taxes and issue bonds or to expend the public funds, to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, find a ready and sufficient market for bonds and other obligations, obtain cash against unmatured and uncollected tax levies, and, generally, to furnish an agency of sufficient capital and authority to maintain the financial affairs of the State and its various governmental agencies in a sound and efficient manner.

To furnish a safe and lucrative investment for the permanent school fund of the State, with a definite and certain return.

To enable the holders of all school warrants drawn against the available school fund, uncollected at the time of their issuance, to obtain cash thereon without discount thereof.

To provide a reserve bank in aid of the general banking system of the State; to assist in maintaining the solvency of the banks chartered in the State of Texas and to preserve intact the depositors' guaranty fund; to prevent the sacrifice of a large part of the products of the industry now impending and due to the calamities and exigencies of war; to maintain the integrity of the actual values of the products of industry during the present period of financial disturbance, to the end that taxes may be collected and taxable values be maintained; to enable the people of the State generally to obtain their ratable and proper distribution of currency issued or authorized to be issued by the national government or other relief in the issuance of money or currency made by the national government or authorized to be made by it; to preserve the normal business conditions of the State against the present disturbances brought about by the wars on the continent of Europe and to guard against the repetition of like disturbances due to that or any other cause; and, generally, to preserve the credit and industrial and financial integrity of the State."

#### II.

The general purpose thus stated runs through the entire measure and the remaining sections may be considered in this immediate discussion as an elaboration of the method by which this stated purpose is to be accomplished. A cursory reading discloses that the scope



of the act is at once public and governmental and that the corporation once formed is to become an agency of the State in administering a portion of those affairs conferred upon the State government by the fundamental law. The first question, therefore, which arises, is:

May the State create a corporation to perform the duties entrusted to this proposed corporation?

### III.

The question is one of naked constitutional right, dissociated from one of legislative policy of the wisdom or unwisdom of enacting this bill into law.

We have reached the conclusion that the Legislature has the power under our Constitution to pass this measure. The reasons leading to this determination will now be stated.

### IV.

On the 8th day of January, A. D. 1816, Mr. Calhoun, in response to a message of President Madison, sent to the Congress of the United States on December 5, 1815, reported to the House a bill entitled "An Act to incorporate the subscribers to The Bank of the United States." The capital of the bank was to be thirty-five millions of dollars, four-fifths of which was to be subscribed by private persons and one-fifth by the government of the United States. There were to be twenty-five directors, five of whom should be appointed by the President of the United States, by and with the advice and consent of the Senate, and twenty elected by those stockholders who resided in the United States. It was provided that on the opening of the subscription of the capital of the bank that the Secretary of the Treasury of the United States should subscribe on behalf of the United States for said shares the number of seventy thousand, amounting to seven millions of dollars, to be paid in gold or silver coin or in stock of the United States, bearing interest at the rate of five per cent per annum. The seventh section of the act created the bank a body corporate in the following language:

"And be it further enacted, that the subscribers to the said Bank of the United States of America, their successors and assigns, shall be, and are hereby, created a corporation and body politic, by the name and style of 'The President, Directors, and Company, of

The Bank of the United States,' and shall so continue until the third day of March, in the year one thousand eight hundred and thirty-six, and by that name shall be, and are hereby, made able and capable, in law, to have, purchase, receive, possess, enjoy, and retain, to them and their successors, lands, rents, tenements, hereditaments, goods, chattels and effects, of whatsoever kind, nature, and quality, to an amount not exceeding, in the whole, fifty-five millions of dollars, including the amount of the capital stock aforesaid; and the same to sell, grant, demise, alien or dispose of; to sue and be sued, plead and be impleaded, answer and be answered, defend and be defended, in all State courts having competent jurisdiction, and in any circuit court of the United States; and also to make, have, and use, a common seal, and the same to break, alter, and renew, at their pleasure; and also to ordain, establish, and put in execution, such by-laws, and ordinances, and regulations, as they shall deem necessary and convenient for the government of the said corporation, not being contrary to the Constitution thereof, or to the laws of the United States; and generally to do and execute all and singular the acts, matters, and things, which to them it shall or may appertain to do; subject, nevertheless, to the rules, regulations, restrictions, limitations, and provisions, hereinafter prescribed and declared."

The usual banking privileges were conferred upon the bank and the usual limitations as to the creation of debts, ownership of lands, etc., were made a part of the measure.

The stock of the corporation by the eleventh section of the act was made assignable and transferable, and half-yearly dividends were provided for.

The eleventh section provided that the Treasury Department should be furnished from time to time as often as might be required, not exceeding once a week, statements of the amount of capital stock of the corporation and the debts due to the same, the moneys deposited therein, notes in circulation and specie on hand, and gave the Treasury Department the right to inspect the general accounts of the bank, but did not confer upon that department the right of inspecting the individual accounts of private individuals with the bank. The bank was authorized to establish offices of discount and deposit or branch banks in the various cities and towns of the Union, and it was given authority to

issue its notes to circulate as money, which were made receivable in payments to the United States, unless otherwise directed by Congress.

Sections 15 and 16 of the act had reference to certain obligations of the bank to the government of the United States, with regard to the deposit of public funds and transferring the same from place to place. These sections were as follows:

"Sec. 15. And be it further enacted, that during the continuance of this act, and whenever required by the Secretary of the Treasury, the said corporation shall give the necessary facilities for transferring the public funds from place to place, within the United States, or the Territories thereof, and for distributing the same in payment of the public creditors, without charging commissions or claiming allowance on account of difference of exchange, and shall also do and perform the several and respective duties of the commissioners of loans for the several States, or of any one or more of them, whenever required by law.

"Sec. 16. And be it further enacted, that the deposits of the money of the United States, in places in which the said bank and branches thereof may be established, shall be made in said bank or branches thereof, unless the Secretary of the Treasury shall at any time otherwise order and direct; in which case the Secretary of the Treasury shall immediately lay before Congress, if in session, and if not, immediately after the commencement of the next session, the reasons of such order or direction."

The bank was prohibited from at any time suspending specie payments. It was further provided in the act that no other bank should be established by any further law of the United States during the continuance of this corporation, and that the capital stock of then existing corporations could not be increased.

Section 20 of the act provided for a bonus payment to the United States of one million five hundred thousand dollars, in consideration of the exclusive privileges granted by the act. This section reads as follows:

"Sec. 20. And be it further enacted, that in consideration of the exclusive privileges and benefits conferred by this act, upon the said bank, the president, directors, and company thereof, shall pay to the United States, out of the corporate funds thereof, the sum of one million and five hundred thousand dol-

lars, in three equal payments; that is to say, five hundred thousand dollars at the expiration of two years, five hundred thousand dollars at the expiration of three years, and five hundred thousand dollars at the expiration of four years after the said bank shall be organized, and commence its operations in the manner hereinbefore provided."

Section 23 of the measure made it lawful for a committee of either House of Congress to inspect the books and examine the proceedings of the corporation, and to report whether the provisions of the charter had or had not been violated. It further provided that when such committee determined that the charter had been violated or had reason to believe so that they should make a report to the President of the United States, and that the President or Congress might order a *scire facias* to be issued out of the circuit court, calling on the corporation to show cause why the charter should not be declared forfeited, etc. Subsequent acts further regulated the bank, and among these was one of March 3, 1817, transferring the duties of commissioner of loans to The Bank of the United States and abolishing the office of commissioner of loans.

(Laws of the United States concerning money banking and loans, Senate Documents, Vol. 33, 61st Congress, 2nd Session, pages 295 et seq. Money and Banking by Horace White, 3rd edition, page 267.)

## V.

The foregoing is a substantial statement of the contents of the bill creating The Bank of the United States, but since it may be found in various publications in the State Library we refer you to the volume cited by us and rather prefer that the entire act should be read than that our digest of it should be depended upon.

The constitutionality of this act came before the Supreme Court of the United States, and it was held in the opinion written by Chief Justice John Marshall that the law creating the bank was constitutional. It came before the court on a writ of error to the Court of Appeals of the State of Maryland in the celebrated case of *McCulloch vs. The State of Maryland et al.*, reported in 4th Wheaton (U. S.), pages 314 et seq. William McCulloch, the defendant in the case in the lower court, was cashier of a branch or office of The Bank of the United States in the State of Mary-

land. The State of Maryland had enacted a law "to impose a tax on all banks or branches thereof in the State of Maryland not chartered by the Legislature of that State." The Bank of the United States did not pay the tax, and action was brought against McCulloch, its cashier, in the form of an action for debt for collection of the same. It was contended, among other things, by the State of Maryland, that the act of Congress creating The Bank of the United States was in violation of the Constitution of the United States and this was one of the issues decided by the Supreme Court. Among other counsel McCulloch was represented by William Wirt, the then Attorney General of the United States; Daniel Webster, and William Pinkney. The Supreme Court at the time the opinion was rendered consisted of John Marshall, Chief Justice, and of Associate Justices Washington, Johnson, Livingston, Todd, Duval, and Joseph Storey. Mr. Webster in his argument before the court, in response to the contention that no special authority was found in the Constitution of the United States authorizing it to establish the bank, among other things said:

"It is not enough to say, that it does not appear that a bank was in the contemplation of the framers of the Constitution. It was not their intention, in these cases, to enumerate particulars. The true view of the subject is that, if it be a fit instrument to an authorized purpose, it may be used, not being specially prohibited. Congress is authorized to pass all laws 'necessary and proper' to carry into execution the powers conferred on it. These words 'necessary and proper,' in such an instrument, are probably to be considered as synonymous. Necessary powers must here intend such powers as are suitable and fitted to the object; such as are best and most useful in relation to the end proposed. If this be not so, and if Congress could use no means but such as were absolutely indispensable to the existence of a granted power, the government would hardly exist; at least, it would be wholly inadequate to the purpose of its formation. A bank is a proper and suitable instrument to assist the operations of the government in the collection and disbursement of the revenue; in the occasional anticipations of taxes and imposts; and in the regulation of the actual currency, as being a part of the trade and exchange between the States. It is not for this

court to decide whether a bank, or such a bank as this, be the best possible means to aid these purposes of government. Such topics must be left to that discussion which belongs to them in the two houses of Congress. Here, the only question is, whether a bank, in its known and ordinary operation, is capable of being so connected with the finances and revenues of the government as to be fairly within the discretion of Congress, when selecting means and instruments to execute its powers and perform its duties. A bank is not less the proper subject for the choice of Congress, nor the less constitutional, because it requires to be executed by granting a charter of incorporation. It is not, of itself, unconstitutional in Congress to create a corporation. Corporations are but means. They are not ends and objects of government. No government exists for the purpose of creating corporations as one of the ends of its being. They are institutions established to effect certain beneficial purposes; and, as means, take their character generally from their end and object. They are civil or eleemosynary, public or private, according to the object intended by their creation. They are common means, such as all governments use. The State governments create corporations to execute powers confined to their trust, without any specific authority in the State Constitutions for that purpose. There is the same reason that Congress should exercise its discretion as to the means by which it must execute the powers conferred upon it. Congress has duties to perform and powers to execute. It has a right to the means by which these duties can be properly and most usefully performed, and these powers executed. Among other means, it has established a bank; and before the act establishing it can be pronounced unconstitutional and void, it must be shown that a bank has no fair connection with the execution of any power or duty of the national government, and that its creation is consequently a manifest usurpation." (Book 4, L. C. P. Co.)

It will be seen from these remarks of Mr. Webster that his position was that Congress has authority to create the corporation for governmental purposes, it having been determined by Congress that the corporation was a proper means for the execution of certain of its powers in performing certain of its duties. His position was that corporations are established for certain beneficial purposes and as means take their character generally from their end

and object, that they are civil or eleemosynary, public or private, according to the object intended by their creation. We shall see presently with what particularity the Supreme Court adopted Mr. Webster's position.

William Wirt, also counsel for McCulloch, or, as might better be stated, for the bank, for McCulloch was in reality the bank, so far as the action was concerned, took the position taken by Mr. Webster on the question of the right of Congress to charter the bank, and in part said:

"The power to establish such a corporation is implied, and involved in the grant of specific powers in the Constitution, because the end involves the means necessary to carry it into effect. A power without the means to use it is a nullity. But we are not driven to seek for this power in implication; because the Constitution, after enumerating certain specific powers, expressly gives to Congress the power 'to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof.' If, therefore, the act of Congress establishing the bank was necessary and proper to carry into execution any one or more of the enumerated powers, the authority to pass it is expressly delegated to Congress by the Constitution. We contend that it was necessary and proper to carry into execution several of the enumerated powers, such as the power of levying and collecting taxes throughout this widely extended empire; of paying the public debts, both in the United States and in foreign countries; of borrowing money, at home and abroad; of regulating commerce with foreign nations, and among the several States; of raising and supporting armies and a navy, and of carrying on war. That banks, dispersed throughout the country, are appropriate means of carrying into execution all these powers, cannot be denied. Our history furnishes abundant experience of the utility of a national bank as an instrument of finance. It will be found in the aid derived to the public cause from the bank of North America, established by Congress, during the war of the revolution; in the great utility of the former bank of the United States; and in the necessity of resorting to the instrumentality of the banks incorporated by the States, during the interval between the expiration

of the former charter of the United States Bank in 1811, and the establishment of the present bank in 1816; a period of war, the calamities of which greatly aggravated by the want of this convenient instrument of finance.

\* \* \* To make a law constitutional, nothing more is necessary than that it should be fairly adapted to carry into effect some specific power given to Congress. This is the only interpretation which can give effect to this vital clause of the Constitution; and, being consistent with the rules of the language, is not to be rejected because there is another interpretation equally consistent with the same rules, but wholly inadequate to convey what must have been the intention of the convention. Among the multitude of means to carry into execution the powers expressly given to the national government, Congress is to select, from time to time, such as are most fit for the purpose. It would have been impossible to enumerate them all in the Constitution; and a specification of some, omitting others, would have been wholly useless. The court, in inquiring whether Congress has made a selection of constitutional means, is to compare the law in question with the powers it is intended to carry into execution; not in order to ascertain whether other or better means might have been selected, for that is the legislative province, but to see whether those which have been chosen have a natural connection with any specific power; whether they are appropriate means to an end. It cannot be denied that this is the character of the bank of the United States. But it is said that the government might use private bankers or the banks incorporated by the States, to carry on their fiscal operations. This, however, presents a mere question of political expediency, which, it is repeated, is exclusively for legislative consideration; which has been determined by the legislative wisdom, and cannot be reviewed by the court. It is objected that this act creates a corporation; which, being an exercise of a fundamental power of sovereignty, can only be claimed by Congress, under their grant of specific power. But to have enumerated the power of establishing corporations among the specific powers of Congress would have been to change the whole plan of the Constitution, to destroy its simplicity, and load it with all the complex details of a code of private jurisprudence. The power of establishing corporations is not one of the ends of government; it is only a class

of means for accomplishing its ends. An enumeration of this particular class of means, omitting all others, would have been a useless anomaly in the Constitution. It is admitted that this is an act of sovereignty, and so is any other law. If the authority of establishing corporations be a sovereign power, the United States are sovereign, as to all the powers specifically given to their government, and as to all other necessary and proper to carry into effect those specified. If the power of chartering a corporation be necessary and proper for this purpose, Congress has it to an extent as ample as any other sovereign Legislature. Any government of limited sovereignty can create corporations only with reference to the limited powers that government possesses. The inquiry then reverts, whether the power of incorporating a banking company be a necessary and proper means of executing the specific powers of the national government. The immense powers incontestably given show that there was a disposition, on the part of the people, to give ample means to carry those powers into effect. A State can create a corporation, in virtue of its sovereignty, without any specific authority for that purpose, conferred in the State Constitution. The United States are sovereign as to certain specific objects, and may, therefore, erect a corporation for the purpose of effecting those objects." (Book 4, L. C. P. Co., pages 588 and 589.)

The argument of Mr. Pinkney was along the same lines as of those of his co-counsel.

Counsel for the State of Maryland contended that The Bank of the United States was a mere private corporation for profit, and its purpose was to divide the gains between the corporators and that the government was only a partner for gain in the firm, and that except for the privileges of the business the government could have no other use for the bank. They contended that the property and business of the bank could not, therefore, be exempted from taxation under the laws of Maryland.

The argument of Mr. Hopkinson of counsel for the State of Maryland substantially states the position of the State in the controversy, and will be quoted as follows:

"Is it then exempt, as being a bank of the United States? How is it such? In name only. Just as the Bank of Pennsylvania, or the Bank of Maryland, are banks of those States. The

property of the bank, real or personal, does not belong to the United States only as a stockholder, and as any other stockholders. The United States might have the same interest in any other bank, turnpike, or canal company. So far as they have stock, they have a property in the institution, and no further; so long and no longer. Nor is the direction and management of the bank under the control of the United States. They are represented in the board by the directors appointed by them, as the other stockholders are represented by the directors they elect. A director of the government has no more power or right than any other director. As to the control the government may have over the conduct of the bank, but its patronage and deposits, it is precisely the same it might have over any other bank, to which the patronage would be equally important. Strip it of its name and we find it to be a mere association of individuals, putting their money into a common stock, to be loaned for profit, and to divide the gains. The government is a partner in the firm, for gain also; for, except a participation of the profits of the business, the government could have every other use of the bank without owning a dollar of it. It is not, then, a bank of the United States, if by that we mean an institution belonging to the government, directed by it, or in which it has a permanent, indissoluble interest. The convenience it affords in the collection and distribution of the revenue, is collateral, secondary, and may be transferred at pleasure to any other bank. It forms no part of the construction or character of this bank; which, as to all its rights and powers, would be exactly what it now is if the government was to seek and obtain all this convenience from some other source; if the government were to withdraw its patronage, and sell out its stock. How, then, can such an institution claim the immunities of sovereignty; nay, that sovereignty does not possess? For a sovereign who places his property in the territory of another sovereign, submits it to the demands of the revenue, which are but justly paid, in return for the protection afforded to the property. General Hamilton, in his report on this subject, so far from considering the bank a public institution, connected with, or controlled by the government, holds it to be indispensable that it should not be so. It must be, said he, under private, not public, direction; under the guidance

of individual interest, not public policy. Still, he adds, the State may be holder of part of its stock; and, consequently (what! it becomes public property? No!), a sharer of the profits. He traces no other consequence to that circumstance. No rights are founded on it; no part of its utility or necessity arises from it. Can an institution, then, purely private, and which disclaims any public character, be clothed with the power and rights of the government, and demand subordination from the State government, in virtue of the Federal authority, which it undertakes to wield at its own will and pleasure? Shall it be private in its direction and interest; public in its rights and privileges; a trading money lender in its business; an uncontrolled sovereign in its powers?" (Book 4; L. C. P. Co., page 585.)

Having made a statement of the case and given such excerpts from the argument of counsel as we hope will present to your mind the issues we will next proceed to examine the opinion of the court.

The first question considered by the court was:

"Has Congress power to incorporate a bank?"

Preliminary to his decision of the constitutional question, Chief Justice Marshall, in delivering the opinion of the court, adverted to the fact that a bank of the United States had previously been established and that the right of Congress to establish the second bank of the United States, which was the one at litigation, was hardly an open question. Concerning this he said:

"The first question made in the cause is, has Congress power to incorporate a bank?"

"It has been truly said that this can scarcely be considered as an open question, entirely unprejudiced by the former proceedings of the nation respecting it. The principle now contested was introduced at a very early period of our history, has been recognized by many successive Legislatures, and has been acted upon by the judicial department, in cases of peculiar delicacy, as a law of undoubted obligation.

"It will not be denied that a bold and daring usurpation might be resisted, after an acquiescence still longer and more complete than this. But it is conceived that a doubtful question, one on which human reason may pause, and the human judgment be suspended, in

the decision of which the great principles of liberty are not concerned, but the respective powers of those who are equally the representatives of the people, are to be adjusted; if not put at rest by the practice of the government, ought to receive a considerable impression from that practice. An exposition of the Constitution, deliberately established by legislative acts, on the faith of which an immense property has been advanced, ought not to be lightly disregarded.

"The power now contested was exercised by the First Congress elected under the present Constitution. The bill for incorporating The Bank of the United States did not steal upon an unsuspecting Legislature, and pass unobserved. Its principle was completely understood, and was opposed with equal zeal and ability. After being resisted, first in the fair and open field of debate, and afterwards in the executive cabinet, with as much persevering talent as any measure has ever experienced, and being supported by arguments which convinced minds as pure and as intelligent as this country can boast, it became a law. The original act was permitted to expire; but a short experience of the embarrassments to which the refusal to revive it exposed the government, convinced those who were most prejudiced against the measure of its necessity and induced the passage of the present law. It would require no ordinary share of intrepidity to assert that a measure adopted under these circumstances was a bold and plain usurpation, to which the Constitution gave no countenance.

"These observations belong to the cause; but they are not made under the impression that, were the question entirely new, the law would be found irreconcilable with the Constitution." (Book 4, L. C. P. Co., page 600.)

Continuing his discussion of the constitutionality of the law, Chief Justice Marshall held that although the right to charter the bank of the corporation was not among the enumerated powers of the government, yet it was given the great power of levying and collecting taxes, borrowing money, regulating commerce, etc., and he held that if Congress determined that the creation of The Bank of the United States was necessary in carrying into effect the granted powers that then Congress by implication had the right to charter the corporation. Concerning this question he said:

"It can never be pretended that these vast powers draw after them others of inferior importance, merely because they are inferior. Such an idea can never be advanced. But it may with great reason be contended, that a government, entrusted with such ample powers, on the due execution of which the happiness and prosperity of the nation so vitally depends, must also be entrusted with ample means for their execution. The power being given, it is the interest of the nation to facilitate its execution. It can never be their interest, and cannot be presumed to have been their intention, to clog and embarrass its execution by withholding the most appropriate means. Throughout this vast Republic, from the St. Croix to the Gulf of Mexico, from the Atlantic to the Pacific, revenue is to be collected and expended, armies are to be marched and supported. The exigencies of the nation may require that the treasure raised in the north should be transported to the south, that raised in the east conveyed to the west, or that this order should be reversed. Is that construction of the Constitution to be preferred which would render these operations difficult, hazardous, and expensive? Can we adopt that construction (unless the words imperiously require it) which would impute to the framers of that instrument, when granting these powers for the public good, the intention of impeding their exercise by withholding a choice of means? If, indeed, such be the mandate of the Constitution, we have only to obey; but that instrument does not profess to enumerate the means by which the powers it confers may be executed; nor does it prohibit the creation of a corporation, if the existence of such a being be essential to the beneficial exercise of those powers. It is, then, the subject of fair inquiry, how far such means may be employed. It is not denied that the powers given to the government imply the ordinary means of execution. That, for example, of raising revenue, and applying it to national purposes, is admitted to imply the power of conveying money from place to place, as the exigencies of the nation may require, and of employing the usual means of conveyance. But it is denied that the government has its choice of means; or, that it may employ the most convenient means if, to employ them it be necessary to erect a corporation.

"On what foundation does this argu-

ment rest? On this alone: The power of erecting a corporation is one appertaining to sovereignty, and is not expressly conferred on Congress. This is true. But all legislative powers appertain to sovereignty. The original power of giving the law on any subject whatever is a sovereign power; and if the government of the Union is restrained from creating a corporation, as a means for performing its functions, on the single reason that the creation of a corporation is an act of sovereignty; if the sufficiency of this reason be acknowledged, there would be some difficulty in sustaining the authority of Congress to pass other laws for the accomplishment of the same objects.

"The government which has a right to do an act, and has imposed on it the duty of performing that act, must, according to the dictates of reason, be allowed to select the means; and those who contend that it may not select any appropriate means, that one particular mode of effecting the object is excepted, take upon themselves the burden of establishing that exception."

Referring to the limited powers of Congress of the United States under the Constitution, Justice Marshall admitted their limitation, but contended that Congress was free to exercise such authority as might appear to it necessary in carrying out those powers which were granted to it. Concerning this he said:

"We admit, as all must admit, that the powers of the government are limited, and that its limits are not to be transcended. But we think the sound construction of the Constitution must allow to the national legislature that discretion, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it, in the manner most beneficial to the people. Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the Constitution, are constitutional.

"That a corporation must be considered as a means not less usual, not of higher dignity, not more requiring a particular specification than other means, has been sufficiently proved. If we look to the origin of corporations, to the manner in which they have been framed in that government from which we have

derived most of our legal principles and ideas, or to the uses to which they have been applied, we find no reason to suppose that a Constitution, omitting, and wisely omitting, to enumerate all the means for carrying into execution the great powers vested in government, ought to have specified this. Had it been intended to grant this power as one which should be distinct and independent, to be exercised in any case whatever, it would have found a place among the enumerated powers of the government. But being considered merely as a means, to be employed only for the purpose of carrying into execution the given powers, there could be no motive for particularly mentioning it.

"The propriety of this remark would seem to be generally acknowledged by the universal acquiescence in the construction which has been uniformly put on the third section of the fourth article of the Constitution. The power to 'make all needful rules and regulations respecting the territory or other property belonging to the United States,' is not more comprehensive than the power 'to make all laws which shall be necessary and proper for carrying into execution' the powers of the government. Yet all admit the constitutionality of a territorial government, which is a corporate body.

"If a corporation may be employed indiscriminately with other means to carry into execution the powers of the government, no particular reason can be assigned for excluding the use of a bank, if required for its fiscal operations. To use one, must be within the discretion of Congress, if it be an appropriate mode of executing the powers of government. That it is a convenient, a useful and essential instrument in the prosecution of its fiscal operations, is not now a subject of controversy. All those who have been concerned in the administration of our finances have concurred in representing the importance and necessity; and so strongly have they been felt that statesmen of the first class, whose previous opinions against it had been confirmed by every circumstance which can fix the human judgment, have yielded those opinions to the exigencies of the nation. Under the confederation, Congress, justifying the measure by its necessity, transcended perhaps its powers to obtain the advantage of a bank; and our own legislation attests the universal conviction of the utility of this measure. The

time has passed away when it can be necessary to enter into any discussion in order to prove the importance of this instrument, as a means to effect the legitimate objects of the government.

"But, were its necessity less apparent, none can deny it being an appropriate measure; and if it is, the degree of its necessity, as has been very justly observed, is to be discussed in another place."

Concluding that particular branch of the opinion, Chief Justice Marshall said:

"After the most deliberate consideration, it is the unanimous and decided opinion of this court that the act to incorporate the bank of the United States is a law made in pursuance of the Constitution, and is a part of the supreme law of the land."

He further held that the tax sought to be imposed by the State of Maryland was unconstitutional and void.

It will be noted that in the last excerpt from the opinion Chief Justice Marshall uses this language:

"If a corporation may be employed indiscriminately with other means to carry into execution the powers of the government, no particular reason can be assigned for excluding the use of a bank, if required for its fiscal operations. To use one, must be within the discretion of Congress, if it be an appropriate mode of executing the powers of government. That it is a convenient, a useful and essential instrument in the prosecution of its fiscal operations, is not now a subject of controversy. \* \* \* The time has passed away when it can be necessary to enter into any discussion in order to prove the importance of this instrument, as a means to effect the legitimate objects of the government. But were its necessity less apparent, none can deny it being an appropriate measure; and if it is, the degree of its necessity, as has been very justly observed, is to be discussed in another place." (Book 4, L. C. P. Co.)

It being well settled that Congress although not expressly granted power to create a bank such as The Bank of Texas, may do so because of implied authority, our next inquiry is whether or not a State may create such a corporation in the absence of express authority. In considering what may be done under State Constitutions, it is worth while to keep in mind the distinction between instruments of that character and the Federal Constitution. The Federal Constitution is a grant of enumerated powers and unless authority is con-



ferred upon Congress by the instrument, either directly or by necessary implication; then such authority is withheld; with State Constitution the rule is different, these instruments being mere restrictions on general legislative authority and the Legislature may do any act not expressly forbidden or by necessary implication clearly inhibited.

7 Amer. Eng. Encyc. of Law, 933.

Ex parte Mabry, 5 Texas Appeals, 97.

Briscoe vs. Kentucky Bank. 11 Peters (U. S.), 257.

Or, to state the rule in another manner, Federal legislation is void unless authorized by the Constitution. State legislation is valid unless prohibited by the State or Federal Constitution. Our Texas cases variously express the rule.

Ex parte Mabry, 5 Texas Appeals, 97.

Logan vs. State, 5 Texas Appeals, 356.

Brown vs. City of Galveston, 97 Texas, 9.

Lytle vs. Half & Brother, 75 Texas, 132.

San Antonio & Aransas Pass Ry. Co. vs. State, 79 Texas, 269.

Ex parte Allison, 99 Texas, 462.

Whitener vs. Bellknap & Co., 89 Texas, 279.

State vs. Brownson, 94 Texas, 436.

Orr vs. Rhine, 45 Texas, 354.

Smisson vs. State, 71 Texas, 233.

In the case of Ex parte Mabry the rule is stated as follows:

"In the investigation of authorities on these subjects, the distinction recognized by courts and elementary writers in regard to the constitutional powers of the United States and the like powers of the State is: The government of the United States is one of enumerated powers; the governments of the States are possessed of all the general powers of legislation. When a law of Congress is assailed as void, we look to the national Constitution to see if the grant of specific powers is broad enough to embrace it; but when a State law is attacked on the same ground it is presumably valid in any case; and this presumption is a conclusive one unless, in the Constitution of the United States or of the State, we are able to discover that it is prohibited. We look in the Constitution of the United States for grants of legislative power, but in the Constitution of the State to ascertain if any limitations have been imposed upon the complete power with which the legislative department of the State was invested in its creation." (Cooley's Const. Lim., 173.)

In the case of Brown vs. City of Gal-

veston, 97 Texas, 9, the Supreme Court of this State, speaking through Judge Brown, said:

"We must bear in mind that except in the particulars wherein it is restrained by the Constitution of the United States the legislative department may exercise all legislative power which is not forbidden expressly or by implication by the provisions of the Constitution of the State of Texas."

In the case of the State of Texas vs. Brownson the Supreme Court of the State, speaking through Chief Justice Gaines, said:

"The legislative department of the State government may make any law not prohibited by the Constitution of the State or that of the United States. Therefore, the rule is that in order for the courts to hold an act of the Legislature unconstitutional they must be able to point out the specific provision which inhibits the legislation. If the limitation be not expressed, then it should be clearly implied." (194 Texas, 439.)

In the case of Lytle vs. Half Brothers, 75 Texas, 132, the Supreme Court of the State discussed at some length the rule here under examination, as follows:

"It has frequently been said that an act of a State Legislature must be held valid unless some superior law in express terms or by necessary implication forbade its passage.

"A prohibition of the exercise of a power cannot be said to be necessarily implied, unless looking to the language and purpose of the Constitution it is evident that without such implication the will of the people, as illustrated by a careful consideration of all its provisions, cannot be given effect.

"The prohibition which it is claimed ought to be implied in this case is not one affecting any private or personal right, nor is it one that can arise because the power to do the act has been conferred on some department of the government other than the Legislature, from which an implied prohibition to the Legislature will arise.

"The implication ought to be raised relates to a mere matter of expediency, which there is a manifest propriety in leaving to the determination of the Legislature from time to time, and which it is seldom the purpose of a Constitution to determine. It affects neither a public nor private right.

"An intention to restrict the power of a State Legislature, and especially in reference to such a matter, further than

this is done by express limitations, is not to be presumed, and when it is claimed that this is done by implication those so claiming ought to be able to point out the provision or provisions of the Constitution which require such implication to give effect to the will of the people evidenced by the entire instrument."

The rule referred to above is one quite elementary and recognized in all jurisdictions. For example, Judge Cooley, in writing of the powers which may be exercised by the legislative department of State governments, says:

"In creating a legislative department and conferring upon it the legislative power the people must be understood to have conferred the full and complete power as it rests in and may be exercised by the sovereign power of any country subject only to such restrictions as they may have seen fit to impose and to the limitations which are contained in the Constitution of the United States. The legislative department is not made a special agency for the exercise of specifically defined legislative powers, but is intrusted with the general authority to make laws at discretion." (Cooley's Const. Lim., 6th Ed., 204.)

Continuing further he quotes with approval the following:

"The people in framing the Constitution committed to the Legislature the whole law-making power of the State which they did not expressly or impliedly withhold. Plenary power in the Legislature for all purposes of civil government is the rule. A prohibition to exercise a particular power is an exception. In inquiring therefore whether a given statute is constitutional, it is for those who question the validity to show that it is forbidden." (105.)

It is plain, therefore, that unless forbidden by the Constitution of the United States or by some express provision of its own Constitution or by a necessary implication from some express provision, the State of Texas may create such corporation as is proposed in the bill for the creation of The Bank of Texas. The Constitution of this State neither expressly authorizes nor prohibits the creation of a public corporation such as would be the proposed Bank of Texas. Section 16 of Article 16 of the State Constitution makes it mandatory upon the Legislature to authorize by general laws the incorporation of corporate bodies with the banking and discounting privileges with a system of State supervision, regulation and control of

such bodies which will adequately protect the depositors and creditors thereof, but this provision clearly refers to the provision of private corporations which may engage in the banking business for profit, and has no reference to public corporations to be created for governmental purposes, nor can it be contended that this section of the Constitution is a limitation upon the right of the State to create a public corporation such as The Bank of Texas. For, as was said by the Supreme Court of the State in the case of San Antonio & Aransas Pass Ry. Co. vs. State, 79 Texas, 269:

"A command in the Constitution to the Legislature to pass laws on a given subject can not be understood to operate as a prohibition to enact laws upon another; and in the absence of some prohibition in the Constitution of the State or of the United States, it is understood that a State Legislature has power to pass all such laws as may be deemed necessary for public welfare or the protection of private right." (San Antonio & Aransas Pass Ry. Co. vs. State, 79 Texas, 269; Lytle vs. Half & Brother, 75 Texas, 133; Cooley's Const. Lim., 6th edition, 78.)

Clearly it was not intended by Section 16, Article 16, of the Constitution, that a corporation should be created under it for governmental purposes such as The Bank of Texas, for the language shows that the only purpose of this section was to authorize the creation of banking corporations to be operated for profit; that this construction is a correct one is conclusively shown by the fact that the Legislature has under this section of the Constitution created an elaborate system under which State banking corporations for profit are chartered, operated and supervised. This of course is a legislative construction of the constitutional provision and as such would appear to be conclusive of the issue. (Cooley's Constitutional Limitations, 6th edition, 181, 182.) So we may see that it seems clear that there is no provision in the Constitution of Texas which either expressly or by implication prohibits the creation of such corporation as The Bank of Texas.

## VII.

That the conclusion at which we have arrived in the respect mentioned is a correct one will be demonstrated when we consider the history of banking legislation among the States of the Union.

To begin with, the authority to create banks has been from time immemorial exercised by the several States of the Union in the absence of expressed inhibition in their several fundamental laws or as is said by the Supreme Court of the United States in *Nathan vs. Louisiana*, 2 How. (U. S.), 81:

"This power has been exercised by every State in the Union except where it has been prohibited by its Constitution."

And it may be remarked that the authority of the various States to create banking corporations was held constitutional as to both the State and Federal Constitutions.

*Briscoe vs. Bank*, 11 Peters (U. S.), 257.

*Craighead vs. Bank*, 19 Tenn., 205.

*Bell vs. Bank of Nashville*, 17 Tenn., 215 (1st Tech, 269).

*Lindell vs. Benton & Kennerly*, 6 Mo., 261.

*Darrington vs. Bank of Alabama*, 13 How., 12.

In the case of *Bell vs. The Bank of Nashville*, 17 Tenn., 215, the Supreme Court of Tennessee, in answer to the question as to whether or not the State of Tennessee can create a banking corporation, said:

"The Legislature of Tennessee, like the Legislatures of all sovereign States, can do all things not prohibited by the Constitution of this State or of the United States and amongst other things may establish a banking corporation," etc.

In the case of *Briscoe vs. Bank of the Commonwealth of Kentucky* (11 Peters (U. S.), 257), the Supreme Court of the United States held that the act incorporating the Bank of the Commonwealth of Kentucky was a constitutional exercise of power by the State. We will examine this case somewhat in detail as it determines in addition to the naked right of the State to create a banking corporation, the status of the obligation of the bank, and settles one or two other questions involved in this discussion. On the 29th of November, 1820, the Legislature of Kentucky passed an act establishing a bank by the name of the Bank of the Commonwealth of Kentucky. The first section of the act declared the bank should be established in the name and on behalf of the commonwealth of Kentucky under the direction of the president and twelve directors to be chosen by the Legislature. The second section enacted that the president and directors shall be a

corporation, capable of suing and being sued, and of purchasing and selling every description of property. The third section declared the bank to be exclusively the property of the commonwealth. The fourth section authorized the issuing of notes; and the fifth section declared the capital to be two millions of dollars; to be paid out of funds belonging to the State. The bank had authority to receive money on deposits, to make loans on good personal security, or on mortgage; and was prohibited from increasing its debts beyond its capital. Limitations were imposed on loans, and the accommodations of the bank were apportioned among the different counties of the State. The bank was, by a subsequent act, authorized to issue three millions of dollars; and the dividends of the bank were to be paid to the Treasurer of the State. The notes of the bank were issued in the common form of bank notes; in which the bank promised to pay to the bearer on demand, the sum stated on the face of the note. *Briscoe* and the other defendants when suit was brought against them claimed that the note given by them was void, as same was given for the notes of the bank, which they asserted were "bills of credit" issued by the State of Kentucky in violation of the provisions of the Constitution of the United States which prohibits the issuance of bills of credit by the States of the Union and that the act of the Legislature of Kentucky which established the bank was unconstitutional and void. As suggested above, the Supreme Court of the United States in the case named held the act of the Legislature of Kentucky creating said bank to be a constitutional exercise of the power of that State and holding that the notes of the bank were not bills of credit of the State, although the State owned the entire stock of the corporation.

The court in discussing the case held substantially that the notes and obligations of the bank were not bills of credit or obligations of the State of Kentucky, although the State of Kentucky was the sole stockholder of the bank. In discussing the question the Supreme Court of the United States in the case referred to, among other things said:

"But the main grounds on which the counsel for the plaintiffs rely is, that the Bank of the Commonwealth, in omitting the bills in question, acted as the agent of the State; and that, con-

sequently, the bills were issued by the State.

"That, as a State is prohibited from issuing bills of credit, it can not do indirectly, what it is prohibited from doing directly.

"That the Constitution intended to place the regulation of the currency under the control of the Federal government; and that the act of Kentucky is not only in violation of the spirit of the Constitution, but repugnant to its letter.

"These topics have been ably discussed at the bar, and in a printed argument in behalf of the plaintiffs.

"That by the Constitution, the currency, so far as it is composed of gold and silver, is placed under the exclusive control of Congress, is clear; and it is contended, from the inhibition on the States to omit bills of credit, that the paper medium was intended to be made subject to the same power.

"If this argument be correct, and the position that a State cannot do indirectly what it is prohibited from doing directly, be a sound one, then it must follow, as a necessary consequence, that all banks incorporated by a State are unconstitutional. And this, in the printed argument, is earnestly maintained; though it is admitted not to be necessary to sustain the ground assumed for the plaintiffs. The counsel of the plaintiffs, who have argued the case at the bar, do not carry the argument to this extent.

"This doctrine is startling, as it strikes a fatal blow against the State banks; which have a capital of near four hundred millions of dollars, and which supply almost the entire circulating medium of the country. But, let us for a moment examine it dispassionately.

"The Federal government is one of delegated powers. All powers not delegated to it; or inhibited to the States, are reserved to the States, or to the people.

"A State cannot emit bills of credit; or, in other words, it cannot issue that description of paper to answer the purpose of money, which was denominated, before the adoption of the Constitution, bills of credit. But a State may grant acts of incorporation for the attainment of those objects which are essential to the interests of society. This power is incident to sovereignty; and there is no limitation in the Federal Constitution, on its exercise by the States, in respect to the incorporation of banks.

"At the time the Constitution was adopted the Bank of North America and the Massachusetts Bank, and some others, were in operation. It cannot, therefore, be supposed that the notes of these banks were intended to be inhibited by the Constitution; or that they were considered as bills of credit, within the meaning of that instrument. In fact, in many of their most distinguishing characteristics they were essentially different from bills of credit, in any of the various forms in which they were issued.

"If, then, the powers not delegated to the Federal government, nor denied to the States, are retained by the States or the people; and by a fair construction of the term bills of credit, as used in the Constitution, they do not include ordinary bank notes; does it not follow, that the power to incorporate banks to issue these notes may be exercised by a State?

"A uniform course of action, involving the right to the exercise of an important power by the State governments, for half a century; and this almost without question; is no unsatisfactory evidence that the power rightfully exercised. But this inquiry, though embraced in the printed argument, does not belong to the case, and is abandoned at the bar.

"A State cannot do that, which the Federal Constitution declares it shall not do. It cannot coin money. Here is an act inhibited in terms so precise that they cannot be mistaken. They are susceptible of but one construction. And it is certain that a State cannot incorporate any number of individuals, and authorize them to coin money. Such an act would be as much a violation of the Constitution as if the money were coined by an officer of the State, under its authority. The act being prohibited, cannot be done by a State, either directly or indirectly.

"And the same rule applies to the omission of bills of credit by a State. The terms used here are less specific than those which relate to coinage. Whilst no one can mistake the latter, there are great differences of opinion as to the construction of the former. If the terms in each case were equally definite, and were susceptible of but one construction, there could be no more difficulty in applying the rule in the one case than in the other.

"The weight of the argument is admitted that a State cannot, by any device that may be adopted, omit bills of

credit. But the question arises, what is a bill of credit within the meaning of the Constitution? On the answer of this must depend the constitutionality or unconstitutionality of the act in question.

"A State can act only through its agents; and it would be absurd to say that any act was not done by a State which was done by its authorized agents.

"To constitute a bill of credit within the Constitution, it must be issued by a State, on the faith of the State, and be designed to circulate as money. It must be a paper which circulates on the credit of the State; and is so received and used in the ordinary business of life.

"The individual or committee who issue the bill must have the power to bind the State; they must act as agents, and of course do not incur any personal responsibility, nor impart, as individuals, any credit to the paper. These are the leading characteristics of a bill of credit, which a State cannot omit.

"Where the notes of the Bank of the Commonwealth, bills of credit, issued by the State?

"The president and directors of the bank were incorporated, and vested with all the powers usually given to banking institutions. They were authorized to make loans on personal security, and on mortgages of real estate. Provisions were made, and regulations, common to all banks; but there are other parts of the charter which, it is contended, show that the president and directors acted merely as agents of the State.

"In the preamble of the act it is declared to be 'expedient and beneficial to the State, and to the citizens thereof, to establish a bank on the fund of the State, for the purpose of discounting paper and making loans for longer periods than has been customary; and for the relief of the distresses of the community.'

"The president and directors were elected by the Legislature. The capital of the bank belonged to the State, and it received the dividends.

"These and other parts of the charter, it is argued, show that the bank was a mere instrument of the State to issue bills; and that if, by such a device, the provision of the Constitution may be evaded, it must become a nullity.

"That there is much plausibility and some force in this argument cannot be denied; and it would be in vain to as-

sert that, on this head, the case is clear of difficulty.

"The preamble of the act to incorporate the bank shows the object of its establishment. It was intended to 'relieve the distresses of the community; and the same reason was assigned, it is truly said, for the numerous emissions of paper money, during the revolution, and prior to that period.

"To relieve the distresses of the community, or the wants of the government, has been the common reason assigned for the increase of a paper medium, at all times and in all countries. When a measure of relief is determined on, it is never difficult to find plausible reasons for its adoption. And it would seem, in regard to this subject, that the present generation has profited but little from the experience of past ages.

"The notes of this bank, in common with the notes of all other banks in the State, and, indeed, throughout the Union, with some exceptions, greatly depreciated. This arose from various causes then existing; and which, under similar circumstances, must always produce the same result.

"The intention of the Legislature in establishing the bank, as expressed in the preamble, must be considered in connection with every part of the act; and the question must be answered, whether the notes of the bank were bills of credit within the inhibition of the Constitution.

"Were these notes issued by the State?

"Upon their face, they do not purport to be issued by the State, but by the president and directors of the bank. They promise to pay to bearer on demand the sums stated.

"Were they issued on the faith of the State?

"The notes contain no pledge of the faith of the State, in any form. They purport to have been issued on the credit of the funds of the bank, and must have been so received in the community.

"But these funds, it is said, belonged to the State; and the promise to pay on the face of the notes was made by the president and directors, as agents of the State.

"They do not assume to act as agents, and there is no law which authorizes them to bind the State. As in, perhaps, all bank charters, they had the power to issue a certain amount of notes; but they determined the time and

circumstances which should regulate these issues.

"When a State emits bills of credit, the amount to be issued is fixed by law, as also the fund of out which they are to be paid, if any fund be pledged for their redemption; and they are issued on the credit of the State, which in some form appears upon the face of the notes, or by the signature of the person who issues them.

"As to the funds of the Bank of the Commonwealth, they were, in part only, derived from the State.

"The capital, it is true, was to be paid by the State; but in making loans, the bank was required to take good securities; and these constituted a fund, to which the holders of the notes could look for payment, and which could be made legally responsible.

"In this respect the notes of this bank were essentially different from any class of bills of credit, which are believed to have been issued.

"The notes were not only payable in gold and silver, on demand; but there was a fund, and, in all probability, a sufficient fund, to redeem them. This fund was in possession of the bank, and under the control of the president and directors. But whether the fund was adequate to the redemption of the notes issued, or not, is immaterial to the present inquiry. It is enough that the fund existed, independent of the State, and was sufficient to give some degree of credit to the paper of the bank.

"The question is not whether the Bank of the Commonwealth had a large capital or a small one, or whether its notes were in good credit or bad; but whether they were issued by the State; and on the faith and credit of the State. The notes were received in payment of taxes, and in discharge of all debts to the State; and this, aided by the fund arising from the notes discounted, with prudent management, under favorable circumstances, might have sustained, and it is believed did sustain to a considerable extent, the credit of the bank. The notes of this bank which are still in circulation are equal in value, it is said, to specie.

"But there is another quality which distinguished these notes from bills of credit. Every holder of them could not only look to the funds of the bank for payment, but he had, in his power, the means of enforcing it.

"The bank could be sued, and the records of this court show that, while its paper was depreciated, a suit was prose-

cuted to judgment against it, by a depositor; and who obtained from the bank, it is admitted, the full amount of his judgment, in specie.

"What means of enforcing payment from the State had the holder of a bill of credit? It is said by the counsel for the plaintiffs that he could have sued the State. But was a State liable to be sued?

"In the case of *Chisholm's Executor vs. The State of Georgia*, in 1792, it was decided that a State could be sued before this court; and this led to the adoption of the amendment of the Constitution, on this subject. But the bills of credit which were emitted, prior to the Constitution, are those that show the mischief against which the inhibition was intended to operate, and we must look to that period as of necessity we have done, for the definition and character of a bill of credit.

"No sovereign State is liable to be sued without her consent. Under the articles of confederation, a State could be sued only in cases of boundary.

"It is believed that there is no case where a suit has been brought, at any time, on bills of credit, against a State; and it is certain that no suit could have been maintained, on this ground, prior to the Constitution."

Continuing, the court said:

"The State of Kentucky is the exclusive stockholder in the Bank of the Commonwealth; but does this fact change the character of the corporation? Does it make the bank identical with the State? And are the operations of the bank the operations of the State? Is the bank, the mere instrument of the sovereignty, to effectuate its designs; and is the State responsible for its note?

"The answer to these inquiries will be given in the language of this court, used in former adjudications.

"In the case of *The Bank of the United States vs. The Planters' Bank*, 9 Wheat., 904, the Chief Justice, in giving the opinion of the court, says: 'It is, we think, a sound principle that when a government becomes a partner in any trading company it divests itself, so far as concerns the transactions of that company, of its sovereign character, and takes that of a private citizen. Instead of communicating to the company its privileges and its prerogatives, it descends to a level with those with whom it associates itself; and takes the character which belongs to its associates and to the business which is to be

transacted. Thus, many States of the Union who have an interest in banks, are not suable even in their own courts; yet they never exempt the corporation from being sued. The State of Georgia, by giving to the bank the capacity to sue and be sued, voluntarily strips itself of its sovereign character, so far as respects the transactions of the bank; and waives all the privileges of that character. As a member of a corporation, a government never exercises its sovereignty. It acts merely as a corporator, and exercises no other power in the management of the affairs of the corporation, than are expressly given by the incorporating act.

"The government becoming a corporator lays down its sovereignty, so far as respects the transactions of the corporation; and exercises no power or privilege which is not derived from the charter.

"The State does not, by becoming a corporator, identify itself with the corporation.

"In the case of the Bank of the Commonwealth of Kentucky vs. Wister and others, 3 Peters, 318, the question was raised whether a suit could be maintained against the bank, on the ground that it was substantially a suit against the State.

"The agents of the defendants deposited a large sum in the bank; and when the deposit was demanded the bank offered to pay the amount in its own notes, which were at a discount. The notes were refused, and a suit was commenced on the certificate of deposit.

"A judgment being entered against the bank in the Circuit Court of Kentucky; a writ of error was brought to this court. In the court below the defendant pleaded to the jurisdiction, on the ground that the State of Kentucky alone was the proprietor of the stock of the bank; for which reason, it was insisted that the suit was virtually against a sovereign State.

"Mr. Justice Johnson, in giving the opinion of the court, after copying the language used in the case above quoted, says: 'If a State did exercise any other power in or over a bank, or impart to it its sovereign attributes, it would be hardly possible to distinguish the issue of the paper of such banks from a direct issue of bills of credit; which violation of the Constitution no doubt the State here intended to avoid.'

"Can language be more explicit and more appropriate than this, to the points under consideration?

"This court further say: 'The defendants pleaded to the jurisdiction on the ground that the State of Kentucky was sole proprietor of the stock of the bank, for which reason it was insisted that the suit was virtually against a sovereign State. But the court is of opinion that the question is no longer open here. The case of *The United States Bank vs. The Planters' Bank of Georgia* was a much stronger case for the defendants than the present; for there the State of Georgia was not only a proprietor, but a corporator. Here the State is not a corporator; since, by the terms of the act, the president and directors alone constitute the body corporate, the metaphysical person liable to suit.'

"If the bank acted as the agent of the State under an unconstitutional charter, although the persons engaged might be held liable, individually; could they have been held responsible as a corporation?

"It is true the only question raised by the plea was, whether the bank could be sued, as its stock was owned by the State? But it would be difficult to decide this question without, to some extent, considering the constitutionality of the charter. And, indeed, it appears that this point did not escape the attention of the court; for they say: 'If a State imparted any of its sovereign attributes to a bank in which it was a stockholder, it would hardly be possible to distinguish the paper of such a bank from bills of credit'; and this, the court say, 'the State in that case intended to avoid.'

"These extracts cover almost every material point raised in this investigation.

"They show that a State, when it becomes a stockholder in a bank, imparts none of its attributes of sovereignty to the institution; and that this is equally the case, whether it own a whole or a part of the stock of the bank.

"It is admitted by the counsel for the plaintiffs that a State may become a stockholder in a bank; but they contend that it cannot become the exclusive owner of the stock. They give no rule by which the interest of a State in such an institution shall be graduated; nor at what point the exact limit shall be fixed. May a State own one-fourth, one-half or three-fourths of the stock? If the proper limit be exceeded, does the charter become unconstitutional; and is its constitutionality restored if the State recede within the

limit? The court are as much at a loss to fix the supposed constitutional boundary of this right as the counsel can possibly be.

"If the State must stop short of owning the entire stock, the precise point may surely be ascertained. It cannot be supposed that so important a constitutional principle as contended for exists without limitation.

"If a State may own a part of the stock of a bank, we know of no principle which prevents it from owning the whole. As a stockholder, in the language of this court, above cited, it can exercise no more power in the affairs of the corporation than is expressly given by the incorporating act. It has no more power than any other stockholder to the same extent.

"This court did not consider that the character of the incorporation was at all affected by the exclusive ownership of the stock by the State. And they say that the case of the Planters' Bank presented stronger ground of defense than the suit against the Bank of the Commonwealth. That in the former the State of Georgia was not only a proprietor, but a corporator; and, that in the latter the president and directors constituted the corporate body. And yet in the case of the Planters' Bank the court decided the State could only be considered as an ordinary corporator; both as it regarded its powers and responsibilities.

"If these positions be correct, is there not an end to this controversy? If the Bank of the Commonwealth is not the State, nor the agent of the State; if it possess no more power than is given to it in the act of incorporation; and precisely the same as if the stock were owned by private individuals, how can it be contended that the notes of the bank can be called bills of credit, in contradistinction from the notes of other banks?

"If, in becoming an exclusive stockholder in this bank, the State imparts to it none of its attributes of sovereignty; if it holds the stock as any other stockholder would hold it; how can it be said to emit bills of credit? Is it not essential to constitute a bill of credit, within the Constitution, that it would be emitted by a State? Under its charter the bank has no power to emit bills which have the impress of the sovereignty, or which contain a pledge of its faith. It is a simple corporation acting within the sphere of its corporate powers; and can no more

transcend them than any other banking institution. The State, as a stockholder, bears the same relation to the bank as any other stockholder.

"The funds of the bank and its property, of every description, are held responsible for the payment of its debts; and may be reached by legal or equitable process. In this respect it can claim no exemption under the prerogatives of the State.

"And, if in the course of its operations, its notes have depreciated like the notes of other banks, under the pressure of circumstances, still it must stand or fall by its charter. In this its powers are defined; and its rights and the rights of those who give credit to it, are guaranteed. And even an abuse of its powers, through which its credit has been impaired and the community injured, cannot be considered in this case.

"We are of the opinion that the act incorporating the Bank of the Commonwealth was a constitutional exercise of power by the State of Kentucky; and, consequently, that the notes issued by the bank are not bills of credit, within the meaning of the Federal Constitution. The judgment of the Court of Appeals is, therefore, affirmed, with interest and costs." (Vol. XI, Peters' Reports, 316-321; 323-327.)

The same question was discussed and similarly decided in the case of Darrington vs. The Bank of the State of Alabama, 13 How. (U. S.), 12. Under certain restrictions the Constitution of Alabama authorized the general assembly to establish a State bank with such number of branches as they should deem from time to time expedient. The State Bank of Alabama was established, the State being the only stockholder, and it was operated under the control of directors elected by the Legislature. The bank was authorized and did issue bills or notes signed by its president and cashier. Concerning this bank and its bills, the Supreme Court of the United States in the case referred to, among other things, said:

"It is impossible to say that bills thus issued come within the definition of bills of credit. The agency constituted, not only managed the bank, but were made personally liable under certain circumstances. The directors, though elected by the Legislature, performed their duties under the charter, and, like all other directors of banks, derived their powers and incurred their



responsibilities from the law under which they acted.

"It is not perceived that their action was not as free as those of directors who are elected by individual stockholders.

"The promise to pay was made by the bank, and its credit gave to its bills circulation; they were in no respect, therefore, like a bill of credit. That must issue on the credit of the State. The principles laid down by this court in the case of *Briscoe vs. The Bank of the Commonwealth of Kentucky* apply to this case. In that case it is said, 'to constitute a bill of credit within the Constitution, it must be issued by a State, on the faith of the State, and be designed to circulate as money. It must be a paper which circulates on the credit of the State, and is so received and used in the ordinary business of life.'

"The individuals or committee who issue the bill must have the power to bind the State; they must act as agents, and of course do not incur any personal responsibility, nor impart, as individuals, any credit to the paper.

"Did the pledge of the credit of the State in the charter of the bank, ultimately to redeem the notes of the bank, make them bills of credit?

"The charter is a public law, and this court consider it as before them, the same as it was before the court of Alabama.

"Upon the face of the bills there is no promise to pay, by the State, but an express promise by the bank. In this there is an important difference between the notes of the bank and bills of credit. Whatever agency has been employed to issue a bill of credit, the State promises to pay the bill, or to receive it in payment of public dues. And when a particular fund was designated out of which the bill should be paid, it depended upon the faith of the State, whether such fund should be so appropriated.

"The bank had not only an ample fund for the redemption of its paper, but a summary mode was provided by which the payment of its bills could be legally enforced. And the directors were personally liable, if the issues of the bank exceeded twice the amount of its capital paid in. And besides the notes and bills of exchange taken on its discounts, enlarged the means of the bank, and increased the surty of the bill holders.

"The charter of the bank gave to it all the means of credit with the public that banks usually have or could de-

sire. That some reliance may have been placed on the guaranty of the eventual payment of the notes of the bank by the State may be admitted. But this was a liability altogether different from that of a State on a bill of credit. It was remote and contingent. And it could have been nothing more than a formal responsibility, if the bank had been properly conducted. No one received a bill of this bank with the expectation of its being paid by the State.

"But it is said the State employed the bank as an agency, through which its bills should be circulated, for the profit of the State.

"The State, as a stockholder, received a profit, if any profit was realized through the operations of the bank. But this is the condition of individual stockholders in all banks. And as well might it be said that the individual stockholders of a bank issue its notes, as that the State of Alabama issued the notes of the branch bank at Mobile.

"A bank in either case acts under its corporate powers, and the directors derive their powers and incur their responsibilities under the law which governs them. The directors of the Mobile bank, in the discharge of their duties, it would seem, were as independent as the directors of other banks.

"A bill of credit emanates from the sovereignty of the State. It rests for its currency on the faith of the State pledged by a public law. The State can not be sued ordinarily on such bill, nor its payment exacted against its will. There is no fund or property which the holder of the bill can reach by judicial process. Such an instrument is altogether different, in form and in substance, from the notes issued by the branch bank at Mobile. The fact that the State of Alabama may be sued by one of its citizens does not alter the case. Such law may be repealed at pleasure, and if judgment could be obtained, the payment of it could not be enforced.

The State, as a stockholder, held its property as a corporation or individual could hold it, in the Mobile bank. The specie in its vaults, notes taken on discounts, and every description of property, managed by the directors of the bank, were subject to judicial process by its creditors. And in such a procedure the State, in its sovereign capacity, could not interfere. Its powers would be no greater than the powers of individual stockholders of a bank, under similar circumstances."

It is apparent from a consideration of these cases and others that might be cited that the State of the union may exercise the authority of creating banking corporations for all the purposes for which such corporation may be created including issuance of circulating notes and that in no respect do these laws violate either the local Constitution or the Constitution of the United States. That the debts and obligations of the bank were not of the State even though the State was the sole stockholder, but the debts and obligations of the bank alone; that the notes of the bank were neither evidences of debt on the part of the State or bills of credit within the terms of the Federal Constitution. It may be said therefore that the obligations of The Bank of Texas would not be obligations of the State, nor bills of credit within the inhibiting terms of the Constitution of the United States, nor would they be treasurer warrants or notes or paper of any description intended to circulate as money within the inhibitory provisions of Section 7, Article 16 of our State Constitution; nor would the obligations of the bank be debts on behalf of the State nor a pledging or lending of the credit of the State nor in any manner a violation of the provisions of Sections 49, 50 and 51, of Article 3, of the Constitution of this State.

### VIII.

Our next inquiry is whether or not The Bank of Texas if created would be a public or private corporation? Although the determination of this question is not necessary altogether for the purpose of passing upon its constitutionality, yet inasmuch as it is being discussed we may as well pass upon it as otherwise, for the Legislature in the creation of public corporation has somewhat more latitude than the creation of private ones.

We have concluded that The Bank of Texas, if created, would be a public corporation. The reasons of this conclusion will now be given.

### IX.

It was long ago laid down by Chief Justice Marshall in the Dartmouth College case that in the case of a corporation if the act of incorporation be "(a) a grant of political power; (b) if it create a civil institution to be employed in the administration of the government; (c) or if the funds \* \* \*

be public property; (d) or if the State \* \* \* as a government be alone interested in its transactions, the subject is one in which the Legislature of the State may act according to its own judgment, unrestrained by any limitation of its power imposed by the Constitution of the United States." (Dartmouth College vs. Woodward, 4 Wheat. (U. S.), 629, 630.)

In other words if either of the characteristics named be that of the corporation created, it is a public corporation subject absolutely to the legislative will, for such is the limitation and disability under which a public corporation exists as contradistinguished from a private corporation, the charter of which is of the nature of a contract, and can not be impaired.

Thompson on Corporations, Section 67.

People vs. Morris, 19 Wend., 337.

We shall now see the principles involved in the phrase quoted from the opinion of the court in the Dartmouth College case applied and amplified in a manner wholly decisive of the question here before us and upon state of facts substantially parallel and in principle exactly so. The case referred to is Osborn et al. vs. Bank of the United States, 9 Wheat., 738. This case came before the Supreme Court of the United States on appeal from the circuit court of the State of Ohio. The bill filed in the cause was exhibited in the court below at the September term 1819 praying injunction to restrain Osborn, Auditor of the State of Ohio, from proceeding against the Bank of the United States under an act of the Legislature of Ohio providing for the levy and collection of taxes from all banks, individuals and companies that might transact business in the State of Ohio. It was contended by counsel for Osborn that the Bank of the United States was subject to the taxing power of the State of Ohio and they asked the court to reconsider the opinion in the case of McCullough vs. Maryland which decided that the State had no rightful power to tax the Bank of the United States. In presenting the argument to the Supreme Court of the United States Mr. Hammond, counsel for Osborn and the State of Ohio, among other things said:

"The question whether The Bank of the United States as now constituted is exempt by the Constitution of the Union, from the taxing power of the State, depends upon the nature and character of the institution. If it stands

upon the same foundation with the mint and the postoffice; if its business can justly be assimilated to the process and proceedings of the Federal courts, we admit, without hesitation, that it is entitled to the exemption it claims. The States cannot tax the offices, establishments, and operations, of the national government. It is not the argument of the opinion, in *McCulloch vs. Maryland*, but the premises upon which that argument is founded, that we ask the court now to re-examine and reconsider.

"Banking is, in its nature, a private trade; and is a business in which individuals may at all times engage, unless the municipal law forbid it. Where this is not the case, it is competent for individuals to contract together, and create capital to be employed in lending money, and buying and selling coins, bullion, promissory notes, and bills of exchange. No law is necessary to authorize a contract between individuals for concentrating capital to be thus employed; nor does the business itself depend upon any special laws for its creation or existence. An association thus formed may take to themselves a name, and may establish rules and regulations to govern them in the transaction of their business, and to determine their relative rights and duties among themselves. The general law not only recognizes the obligation of this contract between the parties, it recognizes also the capacity of the association thus formed to make contracts in the name they have assumed, and the right of the individuals, as joint partners, or one party, to enforce those contracts. The whole is a private concern; the capital is private property; the business a private and individual trade; the convenience and profit of private men the end and object. Such is the true character of a bank, constituted by individual stockholders. Its rights and privileges, its liabilities and disabilities, are all the rights, privileges, liabilities, and disabilities of private persons."

Continuing further the same counsel insisted as follows:

"The mere creation of a corporation does not confer political power or political character. So this court decided in *Dartmouth College vs. Woodward*, already referred to. If I may be allowed to paraphrase the language of the Chief Justice, I would say, a bank incorporated is no more a State instrument than a natural person performing the same business would be. If, then, a natural person, engaged in the trade of banking, should contract with the gov-

ernment to receive the public money upon deposit, to transmit it from place to place, without charging for commission or difference of exchange, and to perform, when called upon, the duties of commissioner of loans, would not thereby become a public officer, how is it that this artificial being, created by law for the purpose of being employed by the government for the same purposes, should become a part of the civil government of the country? Is it because its existence, its capacities, its powers, are given by law? Because the government has given it power to take and hold property in a particular form, and to employ that property for particular form, and to employ that property for particular purposes, and in the disposition of it to use a particular name? Because the government has sold it a privilege for a large sum of money, and has bargained with it to do certain things, is it, therefore, a part of the very government with which the contract is made?

"If the bank be constituted a public office, by the connection between it and the government, it can not be the mere legal franchise in which the office is vested; the individual stockholders must be the officers. Their character is not merged in the charter. This is the strong point of the *Mayor and Commonalty vs. Wood*, upon which this court ground their decision in the *Bank vs. Deveaux*, and from which they say, that cause could not be distinguished. Thus, aliens may become public officers, and public duties are confided to those who owe no allegiance to the government, and who are even beyond its territorial limits."

"With the privileges and perquisites of office, all individuals holding offices, ought to be subject to the disabilities of office. But if the bank be a public office, and the individual stockholders public officers, this principle does not have a fair and just operation. The disabilities of office do not attach to the stockholders; for we find them everywhere holding public offices, even in the national Legislature, from which, if they be public officers, they are excluded by the Constitution in express terms."

"If the bank be a public institution of such character as to be justly assimilated to the mint and the post office, then its charter may be amended, altered, or even abolished, at the discretion of the National Legislature. All public offices are created purely for public purposes, and may, at any time, be modified

in such manner as the public interest may require. Public corporations partake of the same character. So it is distinctly adjudged in *Dartmouth College vs. Woodward*. In this point, each judge who delivered an opinion concurred. By one of the judges it is said, that "public corporations are generally esteemed such as exist for public political purposes only, such as towns, cities, parishes and counties; and in many respects they are so, although they involve some private interests; but, strictly speaking, public corporations are such only as are founded by the government for public purposes, where the whole interest belongs also to the government. If, therefore, the foundation be private, though under the charter of the government, the corporation is private, however extensive the uses may be to which it is devoted, either by the bounty of the founder, or the nature and objects of the institution. For instance, a bank, created by the government for its own uses, whose stock is exclusively owned by the government, is, in the strictest sense, a public corporation. So, a hospital created and endowed by the government for general charity. But a bank, whose stock is owned by private persons, is a private corporation, although it is erected by the government, and its objects and operations partake of a public nature. The same doctrine may be affirmed of insurance, canal, bridge and turnpike companies. In all these cases, the uses may, in a certain sense, be called public, but the corporations are private; as much so, indeed, as if the franchise were vested in a single person.

"If the court adopt this reasoning of one of themselves, the point is decided. The act of incorporation, in the case supposed, does neither create a public office, nor a public corporation. The association, notwithstanding their charter, remain a private association, the proprietors and conductors of a private trade, bound by contract, for a consideration paid, to perform certain employments for the government."

It will be noted from the foregoing excerpts from the argument of counsel that the State of Ohio was insisting that the bank of the United States was a private corporation and not a public one, and was therefore subject to the taxing power of the State. Continuing further along this same line he said:

"If we examine the claim of this particular corporation, to attach to itself this exemption, as incident to its char-

ter, upon what ground is it to be distinguished from private corporations generally? It is said, that it is an instrument employed by the national government in the execution of its powers, and for that reason can not be taxed; that, in this particular, it is distinguishable from all other corporations.

"In what sense is it an instrument of the government and in what character is it employed as such? Do the governments employ the faculty, the legal franchise, or do they employ the individuals upon whom it is conferred and what is the nature of that employment? Does it resemble the postoffice, or the mint, or the custom house, or the process of the Federal courts?

"The postoffice is established by the general government. It is a public institution. The persons who perform its duties are public officers. No individual has, or can acquire, any property in it. For all the services performed, a compensation is paid out of the national treasury; and all the money received upon account of its corporate operations, is public property. Surely there is no similitude between this institution, and an association who trade upon their own capital, for their own profit, and who have paid the government a million and a half of dollars for a legal character and name, in which to conduct their trade.

"Again the business conducted through the agency of the postoffices, is not in its nature a private business. It is of a public character, and the charge of it is expressly conferred upon Congress by the Constitution. The business is created by law, and is annihilated when the law is repealed. But the trade of banking is strictly a private concern. It exists and can be carried on without the aid of the National Legislature. Nay, it is only under very special circumstances, that the National Legislature can so far interfere with it, as to facilitate its operations.

"The postoffice executes the various duties assigned to it by means of subordinate agents. The mails are opened and closed by persons invested with the character of public officers. But they are transported by individuals employed for that purpose, in their individual character, which employment is created by and founded in contract. To such contractors no official character is attached. These contractors supply horses, carriages, and whatever else is necessary for the transportation of the mails upon their own account. The whole is

engaged in the public service. The contractor, his horses, his carriage, his driver, are all in public employ. But this does not change their character. All that was private property before the contract was made, and before they were engaged in public employ, remain private property still. The horses and the carriages are liable to be taxed as other property, for every purpose for which property of the same character is taxed in the place where they are employed. The reason is plain: the contractor is employing his own means to promote his own private profit, and the tax collected is from the individual, though assessed upon the means he uses to perform the public service. To tax the transportation of the mails, as such, would be taxing the operations of the government, which could not be allowed. But to tax the means by which this transportation is effected, so far as those means are private property, is allowable; because it abstracts nothing from the government, and because the fact that an individual employs his private means in the service of the government, attaches to them no immunity whatever.

"It is only in this character that the bank is in public employ. The business it transacts for the government originates in contract. It receives the public treasure upon deposit, and pays it out upon the checks of the proper officer. This is an individual business, transacted for the government precisely as if it were an individual concern. It receives the cash of individuals upon deposit in the same manner, and in the same manner pays it out. It is one department of its trade, by which it makes individual profit. Any private person, or moneyed corporation, may be employed to do the same thing; and as to that, would be in the employment of the government; would be an instrument used by the government: a means of executing its powers. Yet it has never been supposed that such employment constituted a public office, or that the person employed was thereby invested with official character."

In passing upon the question the Supreme Court of the United States held that The Bank of the United States was a public corporation, an agency and instrumentality of the government, and, therefore, not subject to the taxing power. The opinion of the court was delivered by Chief Justice Marshall, in the course of which he, among other things, said:

"This point was argued with great

ability, and decided by this court, after mature and deliberate consideration, in the case of McCullough vs. The State of Maryland. A revision of that opinion has been requested; and many considerations combine to induce a review of it.

"The foundation of the argument in favor of the right of a State to tax the bank is laid in the supposed character of that institution. The argument supposes the corporation to have been originated for the management of an individual concern, to be founded upon contract between individuals, having private trade and private profit for its great end and principal object.

"If these premises were true, the conclusion drawn from them would be inevitable. This mere private corporation, engaged in its own business, with its own views, would certainly be subject to the taxing power of the State, as any individual would be; and the casual circumstance of its being employed by the government in the transaction of its fiscal affairs, would no more exempt its private business from the operation of that power than it would exempt the private business of any individual employed in the same manner. But the premises are not true. The bank is not considered as a private corporation, whose principal object is individual trade and individual profit; but as a public corporation, created for public and national purposes. That the mere business of banking is, in its own nature, a private business, and may be carried on by individuals or companies having no political connection with the government, is admitted, but the bank is not such an individual or company. It was not created for its own sake or for private purposes. It has never been supposed that Congress could create such a corporation. The whole opinion of the court, in the case of McCullough vs. The State of Maryland, is founded on, and sustained by, the idea that the bank is an instrument which is 'necessary and proper for carrying into effect the powers vested in the government of the United States.' It is not an instrument which the government found ready made, and has supposed to be adapted to its purposes; but one which was created in the form in which it now appears, for national purposes only. It is, undoubtedly, capable of transacting private as well as public business. While it is the great instrument by which the fiscal operations of the government are effected, it is also trading with individuals for its own advantage.

The appellants endeavor to distinguish between this trade and its agency for the public, between its banking operations and those qualities which it possesses in common with every corporation, such as individuality, immortality, etc. While they seem to admit the right to preserve this corporate existence, they deny the right to protect it in its trade and business.

"If there be anything in this distinction, it would tend to show that so much of the act as incorporates the bank is constitutional, but so much of it as authorizes its banking operations is unconstitutional. Congress can make the inanimate body, and employ the machine as a depository of, and vehicle for, the conveyance of the treasure of the nation, if it be capable of being so employed, but can not breathe into it the vital spirit which alone can bring it into useful existence.

"Let this distinction be considered.

"Why is it that Congress can incorporate or create a bank? This question was answered in the case of *McCulloch vs. The State of Maryland*. It is an instrument which is 'necessary and proper' for carrying on the fiscal operations of government. Can this instrument, on any rational calculation, effect its object, unless it be endowed with that faculty of lending and dealing in money, which is conferred by its charter? If it can, if it be as competent to the purposes of government without, as with this faculty, there will be much difficulty in sustaining that essential part of the charter. If it can not, then this faculty is necessary to the legitimate operations of government, and was constitutionally and rightfully engrafted on the institution. It is, in that view of the subject, the vital part of the corporation; it is its soul; and the right to preserve it originates in the same principle, with the right to preserve the skeleton or body which it animates. The distinction between destroying what is dominated the corporate franchise, and destroying its vivifying principle, is precisely as incapable of being maintained, as a distinction between the right to sentence a human being to death, and a right to sentence him to a total privation of sustenance during life. Deprive a bank of its trade and business, which is its sustenance, and its immortality, if it have that property, will be a very useless attribute.

"This distinction, then, has no real existence. To tax its faculties, its trade, and occupation, is to tax the bank

itself? To destroy or preserve the one, is to destroy or preserve the other.

"It is urged, that Congress has not, by this act of incorporation, created the faculty of trading in money; that it had anterior existence, and may be carried on by a private individual, or company, as well as by a corporation. As this profession or business may be taxed, regulated, or restrained, when conducted by an individual, it may, likewise, be taxed, regulated, or restrained, when conducted by a corporation.

"The general correctness of these propositions need not be controverted. Their particular application to the question before the court, is alone to be considered. We do not maintain that the corporate character of the bank exempts its operations from the action of State authority. If an individual were to be endowed with the same faculties, for the same purposes, he would be equally protected in the exercise of these faculties. The operations of the bank are believed not only to yield the compensation for its services to the government, but to be essential to the performance of those services. Those operations give its value to the currency in which all the transactions of the government are conducted. They are, therefore, inseparately connected with those transactions. They enable the bank to render those services to the nation for which it was created, and are, therefore, of the very essence of its character, as national instruments. The business of the bank constitutes its capacity to perform its functions, as a machine for the money transactions of the government. Its corporate character is merely an incident, which enables it to transact that business more beneficially.

"Were the Secretary of the Treasury to be authorized, by law, to appoint agencies throughout the Union, to perform the public functions of the bank, and to be endowed with its faculties, as a necessary auxiliary to these functions, the operations of those agents would be as exempt from the control of the States as the bank, and not more so. If, instead of the Secretary of the Treasury, a distinct office were to be created for the purpose, filled by a person who should receive, as a compensation for his time, labor, and expense, the profits of the banking business, instead of other emoluments, to be drawn from the treasury, which banking business was essential to the operations of the government, would each State in the Union possess a right to control these operations? The

question on which this right would depend must always be, are these faculties so essential to the fiscal operations of the government, as to authorize Congress to confer them? Let this be admitted, and the question, does the right to preserve them exist? must always be answered in the affirmative.

"Congress was of opinion that these faculties were necessary to enable the bank to perform the services which are exacted from it and for which it was created. This was certainly a question proper for the consideration of the national legislature. But, were it now to undergo revision, who would have the hardihood to say that, without the employment of a banking capital, those services could be performed? That the exercise of these faculties greatly facilitates the fiscal operations of the government, is too obvious for controversy; and who will venture to affirm that the suppression of them would not materially affect those operations, and essentially impair, if not totally destroy, the utility of the machine to the government? The currency which it circulates, by means of its trade with individuals, is believed to make it a more fit instrument for the purposes of government than it could otherwise be; and if this be true, the capacity to carry on this trade is a faculty indispensable to the character and objects of the institution.

"The appellants admit that if this faculty be necessary to make the bank a fit instrument for the purposes of the government, Congress possesses the same power to protect the machine in this, as in its direct fiscal operations; but they deny that it is necessary to those purposes, and insist that it is granted solely for the benefit of the members of the corporation. Were this proposition to be admitted, all the consequences which are drawn from it might follow. But it is not admitted. The court has already stated its conviction, that without this capacity to trade with individuals the bank would be a very defective instrument, when considered with a single view to its fitness for the purposes of government. On this point the whole argument rests.

"It is contended that, admitting Congress to possess the power, this exemption ought to have been expressly asserted in the act of incorporation; and, not being expressed, ought not to be implied by the court.

"It is not unusual, for a legislative act to involve consequences which are not expressed. An officer, for example,

is ordered to arrest an individual. It is not necessary, nor is it usual, to say that he shall not be punished for obeying the order. His security is implied in the order itself. It is no unusual thing for an act of Congress to imply, without expressing, this very exemption from State control, which is said to be so objectionable in this instance. The collectors of the revenue, the carriers of the mail, the mint establishment, and all those institutions which are public in their nature, are examples in point. It has never been doubted, that all who are employed in them, are protected, while in the line of duty; and yet this protection is not expressed in any act of Congress. It is incidental to, and is implied in, the several acts by which these institutions are created, and is secured to the individuals employed in them, by the judicial power alone; that is the judicial power is the instrument employed by the government in administering this security.

"That department has no will, in any case. If the sound construction of the act be, that it exempts the trade of the bank, as being essential to the character of a machine necessary to the fiscal operations of the government, from the control of the States, courts are as much bound to give it that construction, as if the exemption had been established in express terms. Judicial power, as contradistinguished from the power of the laws, has no existence. Courts are the mere instruments of the law, and can will nothing. When they are said to exercise a discretion, it is a mere legal discretion, a discretion to be exercised in discerning the course prescribed by law; and, when that is discerned, it is the duty of the court to follow it. Judicial power is never exercised for the purpose of giving effect to the will of the judge; always for the purpose of giving effect to the will of the Legislature; or, in other words, to the will of the law.

"The appellants rely greatly on the distinction between the bank and the public institutions, such as the mint or the postoffice. The agents in those offices, are, it is said, officers of government, and are excluded from a seat in Congress. Not so the directors of the bank. The connection of the government with the bank, is likened to that with contractors.

"It will not be contended, that the directors, or other officers of the bank, are officers of government. But it is contended, that, were their resemblance to contractors more perfect than it is,

the right of the State to control its operations, if these operations be necessary to its character, as a machine employed by the government, can not be maintained. Can a contractor for supplying a military post with provisions be restrained from making purchases within any State, or from transporting the provisions to the place at which the troops were stationed or could he be fined or taxed for doing so? We have not yet heard these questions answered in the affirmative. It is true, that the property of the contractor may be taxed as the property or other citizens; and so may the local property of the bank. But we do not admit that the act of purchasing, or of conveying the articles purchased, can be under State control.

If the trade of the bank be essential to its character, as a machine for the fiscal operations of the government, that trade must be as exempt from State control as the actual conveyance of the public money. Indeed, a tax bears upon the whole machine; as well upon the faculty of collecting and transmitting the money of the nation, as on that of discounting the notes of individuals. No distinction is taken between them.

"Considering the capacity of carrying on the trade of banking, as an important feature in the character of this corporation, which was necessary, to make it a fit instrument for the objects for which it was created, the court adheres to its decision in the case of McCullough against the State of Maryland, and is of opinion, that the act of the State of Ohio, which is certainly much more objectionable than that of the State of Maryland, is repugnant to a law of the United States, made in pursuance of the Constitution, and, therefore, void."

The act creating The Bank of Texas makes it essentially an instrument of the government. It becomes the fiscal agent of the State for receiving and disbursing all the public moneys. It likewise becomes when desired the fiscal agent of all the counties, municipalities and various subdivisions of the State having the right to collect and disburse money. It likewise becomes the reserve bank of the State banking system for the purpose of discounting paper of the State banking system, the purpose thereof being primarily a constitutional one to protect the credit and solvency of the State banks and their depositors and generally, of course, to protect the depositors' guaranty fund and the public credit. It is authorized if permitted by Congress to issue circulating notes

as a part of the currency system of the country. It is authorized to advance money against uncollected taxes and is required to cash all State warrants and all school warrants at par. It becomes in fact the universal solvent of the general fiscal necessities of the State performing the general functions of a State Central Bank. It equalizes and will probably reduce interest rates throughout the State in that it enables solvent small banks to obtain loans and currency at the same rate and without discrimination as to banks. In general it may be said that it is the purpose of The Bank of Texas to become an instrument of the government for the preservation of its financial integrity and maintenance of the general credit and the preservation and protection of a banking system of the State. That it must exercise some of the ordinary banking privileges, though not all, is necessary for its success as a public agency, and is, therefore, lawful and proper, as is held in the Osborn case, *supra*.

#### XI.

The opinion in the Osborn case is sufficient on this question to show that The Bank of Texas is a public corporation, but the least reflection and examination into the elementary law of private corporations emphasizes the conclusion. In the first place the organization of private corporations is always a matter of voluntary contract entered into between the corporators. This may sometimes be true of public corporations as it was with reference to The Bank of the United States, but as to private corporations it is always so.

Thompson on Corporations, Secs. 52, 54, and 59.

7th Amer. & Eng. Ency. of Law, 656. In the instance of The Bank of Texas the corporation to be formed is not by articles of association or agreement voluntarily entered into by the corporators, but is one formed by public officers, to-wit: the Governor of the State, Secretary of State and the Comptroller under the direction of the public laws of the State. No element of agreement enters into it. The same may be said of the State banks which become members. They are compelled to become members not by voluntary agreement, but as a condition of their continued existence. The law acts in reality as an amendment to their charters with which they must comply or cease to exist, it being the rule that general laws relating to private corporations operate as amend-



ments to the charters of existing corporations. (Thompson on Corporations, Secs. 294 and 216.) All that is done with reference to creating The Bank of Texas is done by force of law, not by any quality of agreement. Thus we find the basic element of a private corporation lacking. Again, the usual rule is that with respect to private corporations, the charters merely vest the corporation with power which the individuals as such might have done without being incorporated. (People vs. Holstein Friesian Assn., 41 Hunn., 441, 442.)

But this rule does not obtain in the case of The Bank of Texas. No individual association of individuals would have authority to do those things for which authority is conferred upon The Bank of Texas except they should be authorized by law. For example, an individual or association of individuals could not as a matter of right become the fiscal agent of the State and receive and disburse the public funds except of course they be authorized to do so by law. In this respect and in others which might be named, The Bank of Texas differs radically from the ordinary and usual theory of a private corporation. Again: it has been said that a public corporation is one which can not carry out the purposes of its organization without chartered rights from the commonwealth. This of course is only a re-statement of the former rule, and while perhaps somewhat too general, nevertheless as an elementary proposition is a correct one. (Alleghany Co. vs. Diamond Market, 123 State of Penn. Rep., 169.)

We are quite aware of some decisions adhering to the dictum of Judge Storey, in his concurring opinion in the Dartmouth College case that corporations to be purely public must be owned exclusively by the State; this dictum was insisted on in the Osborn case, supra, and the Supreme Court of the United States failed to follow it but enunciated the doctrine shown in our excerpt taken from the opinion in that case to the effect that notwithstanding the ownership of a major portion of the stock of the Bank of the United States by individuals it was nevertheless a public corporation; that this dictum as to the ownership of stock is not the test is shown by the fact that it has been variously held that although all the stock may be owned by the State the corporation may still be private (Thompson on Corporation, Sec. 24), all of which brings us back to the elementary proposition

of the Osborn case that it is the purpose of the corporation which determines its character. If its purpose be governmental or that as an agency of government it is a public corporation. If its purpose be a private one for profit it is a private corporation, or as was said in the case of Bardstone Railway Company vs. Metcalf, 81 Amer. Dec., 543:

"The character of a corporation depends upon the purpose for which it is formed and the powers conferred upon it, and not upon the character of its stockholders."

We conclude, therefore, that The Bank of Texas, if formed, would be a public and not a private corporation with its charter, subject at all times to amendment or revocation in the will of the Legislature.

## XII.

Section 2 of Article 12 of our State Constitution provides:

"General laws shall be enacted providing for the creation of private corporations and shall therein provide fully for the adequate protection of the public and of the individual stockholders."

Section 1 of the same article reads:

"And no private corporation shall be created except by general laws."

We will now determine the relation of these provisions to the proposed corporation created under the provisions of The Bank of Texas bill. These provisions were placed in the Constitution in 1876, one of the purposes thereof being to prevent the Legislature from granting to one corporation powers or special privileges not granted to the others.

Northside Ry. Co. vs. Worthington, 88 Texas, 572.

The general purpose, however, of these provisions being the correction of evils of a flagrant character well enough known to all acquainted with the history of this State and of the State of the Union generally, as long as the granting of charters to provide corporations resided within the Legislature, to be exercised by special acts.

Thompson on Corporations, Section 574.

The authority just cited says: "These constitutional provisions were generally established for the purpose of correcting existing evils of a flagrant character. Their purpose was to inaugurate the principle of placing all corporations of the same kind upon a perfect equality as to all grants of power; of making

such laws applicable to all parts of the State, and thereby securing the vigilance and attention of its whole representation; and finally of making all judicial constructions of their powers or the restrictions imposed upon them equally applicable to all corporations of the same class."

These provisions were placed in the Constitution to correct an existing evil and must be interpreted and applied in the light of that purpose. It must not be overlooked that the construction and even the constitutionality of a law must be viewed in the light of the history of the time when it was enacted.

Legal Tender Cases, 110 U. S., 450.

Canhon vs. Vaughn, 12 Texas, 399.

Walraven vs. Bank, 96 Texas, 331.

The existing evil in the time these provisions were placed in the Constitution was the granting of all descriptions of special charters to private corporations by the Legislature and not the granting of charters to public corporations for governmental purposes; therefore, the provisions would apply, from this history and, from their express language, do apply, only to private corporations. It is well settled that inhibitions against granting charters to private corporations do not prevent the granting of charters by special law to public corporations.

Wisconsin vs. Stewart, 6 L. R. A., 397.

Globe Elevator Co. vs. Andrew, 140 Fed., 879.

State vs. Newark, 40 N. J. L., 71.

Ballentine vs. Mayor of Pulaski, 83 Tenn. (15 Lea), 833.

### XIII.

However, that The Bank of Texas bill would, if enacted into law, be a general law and not a private or special one, hardly admits of doubt, and, therefore, even if the constitutional provisions applied, the bill would not be contrary to the Constitution in this respect. There is no doubt, however, that the constitutional provisions referred to above have no application to this measure, because it creates a public and not a private corporation. If they did apply, however, as suggested, the measure is still a general law and not a private or special one.

In the case of Clark vs. Finley, 95 Texas, the Supreme Court of the State said with reference to the distinction between general and special laws the following:

"A law is not special because it does

not apply to all persons or things alike; indeed most of our laws apply to some one or more classes of persons or things, excluding others. \* \* \* The definition of a general law as distinguished from a special law given by the Supreme Court of Pennsylvania in the case of Wheeler vs. Philadelphia, 77 Pennsylvania State, 338, and approved by the Supreme Court of Missouri is perhaps as accurate as any that has been given. State vs. Tolle, 71 Mo., 645. The court in the former case says: 'Without entering at large upon the discussion of what is here meant by a "local or special law," it is sufficient to say that a statute which relates to persons or things as a class is a general law, while a statute which relates to particular persons or things of a class is special, and comes within the constitutional prohibition.'"

In the case of Cox et al. vs. The State, 8th Texas Appeals, pages 287 et seq., the court of Criminal Appeals of this State, speaking through Judge White, presiding judge, among other things said:

"Mr. Bouvier defines such acts to be those which operate only upon particular persons, corporations and concerns; whilst he defines general or public acts to be those which bind the whole community. Of this he says the courts take judicial cognizance. \* \* \* To our minds it is certain the framers of our Constitution intended by the use of the phrase 'General Act' in Section 1 of Article 5 not that such act should be general to the extent that it should have a uniform operation throughout the State, but simply that in its nature, character and passage such an act could be enacted as any general law might be without going through the forms and complying with the requisites required for local or special laws. \* \* \* The whole difficulty of the subject is occasioned by the trouble of arriving at a proper definition of a general law. We think the rule laid down by the Supreme Court of California in Brookshire vs. Ryde, given a proper and satisfactory solution of the difficulty. In that case it is said 'a general law is one whose operation is equal in its effect on all persons or things upon which the law is designed to operate at all.' All laws operate upon persons and things, are we then to understand that a general law is only one which operates upon all persons and upon all things? If so it is obvious that our general laws are very few, if, indeed, there are any of that

class. Obviously such can not be the meaning of the words as here used. The word 'general' comes from genus, pertaining to the whole genus or kind; or, in other words, to a whole class or order. Hence a law which binds a class of persons or things must be a general law." (8th Texas, 287.)

The term "general law" as used in the Constitution is synonymous with public law or public act and is used as contradistinguished from private law, the enactment of which with reference to corporations is interdicted by the Constitution, which was the evil within view of the makers of the Constitution at the time. (26 Am. and Eng. Ency. of Law, 531.)

Statutes which are general and uniform in their operation upon all persons coming within the class to which they apply are not obnoxious to the constitutional provision against special legislation, and generally it may be said that acts which any wise affect the public at large are public or general acts.

Thompson on Corporations, Sec. 592.  
26 Am. and Eng. Ency. of Law, page 530.

General laws may be said to be those the subject matter of which is of general interest to the whole State and not local, because the provisions embrace the whole subject or a whole class. (Sutherland on Statutory Construction, Sec. 195.)

A private act relates to, concerns and affects particular persons or something in which individuals or a class of individuals are interested in a way and degree peculiar to themselves, and not common to the whole community. (26 Am. and Eng. Ency. of Law, 531.)

Acts creating public corporations are general or public acts and not private.

Louisiana State Bank vs. Flood, 3rd Martin, H. S. (La.), 342.

Utica Bank vs. Sneys, 3rd Cowein (N. Y.), 662.

Crawford vs. Planters Bank, 6 Ala., 269.

Whitewater Valley Canal Company vs. Boden, 8 Black. (Ind.), 130.

State vs. Hoefinger, 31 Wis., 257.

Darrington vs. Bank of Ala., 13 Howard, 14.

Generally acts which concern or dispose of the public revenue are regarded as general or public acts, of which the courts have taken judicial notice.

State vs. Hoefinger, supra.

The following definition of a general law is given in Budd vs. Hancock, 48 Atl., 1023:

"A law is general if nothing be excluded that should be contained. If the only limitation contained in the law is a legitimate classification of its objects it is a general law. Hence if the object of the law has characteristics so distinct as reasonably to form for the purpose legislated upon a class by itself the legislation is general, notwithstanding it operates on a single object only; for a law is not general because it operates upon every person in the State, but because every person that can be brought within its limits becomes subject to its operation."

In the case of *The State vs. Davis*, 44 N. E., 511, the general law was substantially defined as follows:

"Without undertaking to discriminate or define with precision it may be said that the character of a law as general or local depends upon the character of its subject matter, if of a general nature, existing throughout the State and in every county and being a subject in which all the citizens have a common interest, then the law which relates to and regulates it is of a general nature."

It is also then held that laws are general and uniform not because they operate upon every person in a State, for they do not, but because every person that is brought within the relations and circumstances provided for is within the law. They are general and uniform in their operation upon all persons in a like situation, and the fact of their being general and uniform is not affected by the number of those who are within the scope of their operation. *Ames vs. Ayer*, 58 L. R. A., 277.

It is plain from these authorities that The Bank of Texas bill proposes a general law and not a special or private one. It regulates the receipt and disbursement of the entire revenue of the State, creates a fiscal agent of the State and its subdivisions; it establishes a general reserve bank, and it is applicable to the entire banking system of the State. It, in effect, amends the charter of every State bank in the State, governs the reserves of all such institutions, confers privileges and rights upon them which they did not previously have and provides limitations which have not heretofore existed.

As suggested, it hardly leaves any room for controversy upon the question of it being a general or a special or private law. Having gone thus far it is equally clear that the provisions of Section 6, of Article 12, of the Constitution, with reference to private corpora-

tions, nor other provisions of the Constitution with reference thereto, as well as the provisions of Section 16, Article 16, concerning the liability of stockholders in the payment of the capital stock of private corporations, have no application to public corporations such as would be The Bank of Texas.

#### XIV.

Section 4 of Article 7 of the State Constitution, speaking with reference to the permanent school fund, reads, in part, as follows:

"The Comptroller shall invest the proceeds of such sales and of those heretofore made as may be directed by the Board of Education herein provided for, in the bonds of the United States, the State of Texas, or counties of said State, or in such other securities, and under such restrictions, as may be prescribed by law, and the State shall be responsible for all investments."

This provision was incorporated in the Constitution by an amendment adopted on September 25, 1886. That portion of the same section of which it is an amendment read originally, as adopted in 1876, as follows:

"The Comptroller shall invest the proceeds of such sales and of those heretofore made, as may be directed by the Board of Education herein provided for, in the bonds of this State, if the same can be obtained, otherwise in United States bonds; and the United States bonds now belonging to said fund shall likewise be invested in State bonds, if the same can be obtained in terms advantageous to the school fund." (Harris' Constitution, page 625.)

A brief examination of the amended section discloses that the right is conferred on the Comptroller, under the direction of the Board of Education, to invest the school funds without limitation or qualification in bonds of the United States and the State of Texas, or counties of the State. Under the old section he was required to make investment in bonds of the State, or, if these could not be obtained, then in bonds of the United States, and he was neither required nor permitted to invest the same in county bonds, nor in any other class of securities. The amendment therefore made the change suggested and in addition authorized the investment of these bonds "in such other securities and under such restrictions as may be prescribed by law, and the State shall

be responsible for all investments." The general purpose of the amendment evidently was to enlarge the field of investment of the permanent school fund, and as to the bonds of the United States, the State of Texas and of counties the makers of the Constitution were willing that investments could be without restriction or description, but as to other securities it was the evident purpose that the Legislature should be empowered to define them and prescribe the restrictions and limitations under which investments might be made in the classes defined by the Legislature. While one of the writers was before the Senate committee on this bill some member of the House or Senate suggested that the rule of ejusdem generis applied to this provision of the Constitution and that the phrase "or any such other securities and under such restrictions as may be prescribed by law" was limited by the enumerated classes of securities previously set forth in the provision and that the Legislature was therefore not free to define the other classes of securities in which the investment might be made. It is a familiar rule in the construction of State Constitutions that such instruments are not to be interpreted on narrow or technical principles, but liberally and on broad, general lines, in order that there may be accomplished the objects of the instrument and the great principles of government to be carried out.

Says Judge Cooley:

"Narrow and technical reasoning is misplaced when it is brought to bear upon an instrument framed by the people themselves for themselves and designed as a chart upon which every man, learned or unlearned, may be able to trace the leading principles of the government."

Black on Interpretation of Laws, Sec. 7, page 13.

Cooley's Constitutional Limitations, page 59.

It is also a cardinal rule in the interpretation of Constitutions that the instrument must be so construed as to give effect to the intention of the people who adopted it. This intention is to be sought in the Constitution itself, and the apparent meaning of the words employed is to be taken as expressing it, except in cases where it would lead to absurdity and ambiguity of interpretation.

Black on Interpretation of Laws, Sec. 8, page 15.

It is likewise a familiar rule that where the Constitution grants a power in general terms the grant includes all such particular and auxiliary powers as may be necessary to make it effectual, and that where the grant is in general terms the power is to be construed as co-extensive with the terms, unless some clear restriction upon it is deductible from the content.

Black on Interpretation of Laws, Sec. 15, page 23.

Morton vs. Gordon (Balham), page 399.

With reference to the object of construction Judge Cooley says:

"The object of construction as applied to a written Constitution is to give effect to the intent of the people adopting it. \* \* \* But this intent is to be found in the instrument itself. It is to be presumed that language has been employed with sufficient precision to convey it and unless examination demonstrates that such presumption does not hold good in a particular case nothing will remain but to enforce it. Where a law is plain and unambiguous, whether it be expressed in general or limited terms, the Legislature should be interpreted to mean what they plainly expressed and consequently no room is left for construction."

Cooley's Constitutional Limitations, page 69.

It is likewise familiar that any limitation of the legislative authority must be either expressed in the Constitution or clearly implied, or as stated in the case of the State of Texas vs. Brownson, 94 Texas, 439, by Chief Justice Gaines of the Supreme Court of the State "the legislative department of the State government may make any law not prohibited by the Constitution of the State or that of the United States and therefore the rule is that in order for the courts to hold an act of the Legislature unconstitutional they must be able to point out the specific provision which inhibits the legislation. If the limitation be not expressed then it should be clearly implied."

An examination of the section of the Constitution here under consideration discloses that the limitation on the right of the Legislature to define what other securities the school fund may be invested in is not expressed in the Constitution and if it exists it must exist by implication. It is equally clear, however, that such a limitation does not exist by any necessary implication and it must exist, if at all, by reason of

implication wholly unnecessary and effectuate a meaning in conflict with what would be usually understood to be the meaning of the phrase under examination. In other words, constitutional limitations are to be established and defined by words that are found written in that instrument and not by reference to some spirit that is supposed to pervade it. (State vs. De Lorenzo, 79 Atl., 839.)

The ordinary rules of construction such as *ejusdem generis* and *expressio unius est exclusio alterius* are to be applied to written constitutions with great caution, and only when necessary to effectuate the actual intent of the instrument.

State vs. Jacksonville Term. Co., 41 Fla., 397.

State vs. Bryan, 50 Fla., 677.

Swartz vs. People, 104 Pac., 97.

Nephi Plaster, etc., Co. vs. County, 93 Pac., 53.

The limitation on the general rule of construction suggested above arises from the character of the Constitution as an instrument of fundamental government. In the Swartz case, supra, the court quotes from Judge Storey on the Constitution as follows:

"In the first place, then, every word employed in the Constitution is to be explained in its plain, obvious and common-sense meaning, unless the content furnishes some ground to control, qualify, or enlarge it. Constitutions are not designed for the metaphysical or logical subtleties, nor niceties of expression, for critical propriety, for elaborate sense of meaning, or for the exercise of psychological acuteness or judicial research. They are instruments of a practical nature, founded on the common business of human life, adapted to common wants, designed for common use and fitted for common necessities. The people make them, the people adopt them, the people must be supposed to read them with the help of common-sense, and it can not be presumed to admit in them any recondite meaning or extraordinary gloss. (10 Pac., p. 98.)

The case of Nephi Plaster, etc., Co. vs. County, supra, illustrates the rule under examination. The Constitution of the State of Utah provided "that all mines and mining claims, etc., containing or bearing gold, silver, copper, lead, coal, or other valuable mineral deposits, should be taxed, etc." The Supreme Court of Utah held that the classification was not intended as a limitation,

and that the phrase, "other valuable mineral deposits," embraced all mineral deposits. Concerning the use of the rule known by the phrase of "ejusdem generis," the court said:

"The doctrine of ejusdem generis is only a rule of construction, and like all rules is resorted to only as an aid to the court in arriving at the true intent of the law-maker. These rules must not be applied so as to make them masters, since they are designed as servants merely. No rules of construction, however, can be permitted to override the fundamental principle underlying all rules, which requires that all words contained in the Constitution must, if possible, be given their ordinary meaning, and that the intention of the law-maker must be gathered from the language employed in the light of the context and of the subject matter to which it is applied, and when such intention is clear it must prevail, notwithstanding some rules to the contrary. By this we do not mean that where the ordinary meaning of the language employed would lead to an absurdity or inflict great injustice, the ordinary meaning of the word should not be restricted or expanded, if necessary, to avoid an absurdity or injustice; but this is only another way of stating that courts can not assume that the law-maker really intended to enact either absurd or unjust laws." (93 Pacific, p. 56.)

We think it clear that the general purpose of the phrase "or such other securities \* \* \* as may be prescribed by law" clearly means that outside of the three classes of securities named the Legislature should have a free hand in determining what securities this fund might be invested in, and that for this reason, among others, it required these investments to be under limitations prescribed by law and made the State responsible for the investments. This is the plain and simple import of the language, from which, under the rules, we are not permitted to vary.

We are of the opinion, therefore, that the Legislature is free to define the class of securities in which these funds may be invested and that the doctrine of ejusdem generis does not apply.

That we are correct in this construction is supported by legislative and departmental constructions of this same provision of the Constitution and of a similar provision found in Section 6, of Article 7, relative to the investment of the permanent school funds belonging to individual counties.

We direct your attention to a departmental construction of the last named section of the Constitution, which would indicate in a negative way that it was the opinion of the official writing the same that it was within the authority of the Legislature to name the class of securities in which the permanent school fund of counties might be invested. During the administration of Hon. C. A. Culberson as Attorney General of this State an opinion was written by his assistant, Hon. W. J. J. Smith, afterwards on the district bench at Dallas. The opinion explains itself and we will quote the same as follows:

"Attorney General's Office,  
Austin, January 27, 1892.

Judge E. A. Stevens, County Judge,  
Rockport, Texas.

Dear Sir: In your letter of January 23rd you inquire whether the commissioners court of your county can legally invest the county permanent school fund in the stock of the First National Bank of Rockport or any 'other securities than bonds.' Section 6 of Article 7 of the Constitution provides that such funds shall be invested in bonds of the United States, the State of Texas, or counties of said State, or in such other securities as may be prescribed by law. Before the commissioners court would be authorized to invest such in any other securities than the three classes of bonds specifically named in the article of the Constitution above cited it would be necessary for the Legislature to expressly name and designate such 'other securities.' As the Legislature has not named and approved any other securities the commissioners court are without power to invest the funds in the bank stock or in any other securities than those expressly named in the Constitution.

Very respectfully,  
W. J. J. Smith,  
Office Assistant of Attorney General."

(Opinions of Attorney General, Vol. 14, page 319.)

This opinion was, of course, manifestly a correct one, but it is clear that the writer was of the opinion that the Legislature had plenary power to define what classes of securities the fund might be invested in and that the rule of ejusdem generis did not apply; for otherwise he would have based his decision upon the fact that bank stock is not a security ejusdem generis with

State, United States and county bonds, or he would have stated that the other securities referred to in the Constitution must be those similar to the three classes specifically named. This opinion, of course, applies only in a negative way and yet is of some value, as showing that it had not occurred to the mind of the department at that time that the rule of ejusdem generis should in any manner apply.

Again, the Thirty-first Legislature enacted what became Chapter 24 of the General Laws passed by that Legislature, providing for the issuance by the penitentiary system of certain penitentiary railroad bonds, which are described in the act referred to. Section 2 of this act then provides as follows:

"The Comptroller of Public Accounts and the State board of education are severally hereby authorized, and it shall be their duty to purchase said bonds from said board of penitentiary commissioners and to pay to said board therefor, out of the permanent school fund, the face value of said bonds with accrued interest thereon, down to the date of such purchase; and the principal of such bonds shall constitute and remain a part of the permanent school fund, and the interest thereon shall become a part of the available school fund, and such bonds and coupons shall be deposited with and kept and held by the State Treasurer as provided by law in case of other securities belonging to the permanent school fund; provided, however, that no part of the permanent school fund shall be invested in such bonds unless same shall have been registered by the Comptroller of Public Accounts and shall be accompanied by a certificate from the Attorney General under his seal to the effect that such bonds are in all respects in compliance with the requirements of this act."

The Legislature in creating the penitentiary railroad bonds and requiring that the permanent school fund be invested in the same evidently construed that it had a right to do so under the "other securities" phrase of Section 4 of Article 7 of the Constitution. This, of course, is a legislative construction of that provision of the Constitution, as well as of the authority of the Legislature to control the investment and the manner of the investment of the school fund.

Again, the construction which we insist upon that the Legislature might exercise its own discretion in defining securities under this provision of the

Constitution was followed by Attorney General Davidson in his opinion to the Lieutenant Governor on the constitutionality of the penitentiary railroad bonds, which opinion is dated May 3, 1909, and is shown on pages 160 et seq. of the reports of opinions of the Attorney General published in 1910. In that opinion, Judge Davidson said:

"The Constitution, Section 4, Article VII, provides \* \* \* 'The Comptroller shall invest the proceeds of such sales, and of those heretofore made, as may be directed by the Board of Education herein provided for, in the bonds of the United States, the State of Texas, or counties in said State, or in such other securities, and under such restrictions as may be prescribed by law; and the State shall be responsible for all investments.'

In the first place, the bonds authorized by the bill seem to be 'State bonds.' They are bonds authorized by the State, through its Legislature, to be issued by one of the agencies of the State to secure funds for a project owned and entirely controlled by the State. They will, therefore, come within the definition of that class of bonds which the Constitution expressly authorizes the funds to be invested in. In fact, it is my understanding that the permanent school fund owns at this time many bonds issued by the State, and that the public debt of the State, evidenced by bonds, are owned by the same fund. But if any doubt should exist whether the bonds provided in this bill are the kind of State bonds alluded to in the Constitution, then another provision in the same section vests in the Legislature the power and discretion to designate such other securities, and when the Legislature does so, as it provides in this bill, the bonds so issued will become a legal security in which the funds may be invested.

"The Constitution lodges the power and discretion in the Legislature to designate such other securities, and legislative action will be binding in all cases except in gross abuse of the power and discretion vested."

So the opinion we express is one directly in line with the opinions of the Attorney General's Department for nearly a quarter of a century and in line with the legislative construction of the provision. Great deference is always paid to executive and departmental constructions of the Constitution and statutes.

Cooley's Constitutional Limitations, page 83.

Black on Interpretation of Laws, Sec. 20, page 31; Sec. 90, page 223.

#### XV.

That the bond certificates to be issued to the school fund under the bill are securities, we believe can hardly be controverted. The corporation will not issue stock certificates in the usual sense of those words. Neither the certificates of membership nor bond certificates carry any voting power or power of control or management. That definitely rests with the Legislature, this being a public corporation. The member banks by virtue of their membership under the law and not by reason of the quantity of their investment assist in the selection of directors, but the Legislature could confer this power upon any other agency. The membership certificates are rather evidence of certain rights given member banks under the law than stock certificates entitling them to certain rights by virtue of any contract with other corporators. The bond certificates are the debt and obligation of the corporation unconditional and secured to some extent by the required deposit of two millions of securities in the State Treasury. They are not stock as they carry no voting privilege nor any other of the usual characteristics of stock. They become the obligation of the corporation fixed by statute and as such bind it to fulfill the statutory duties contracted by the corporation. They are for the life of the corporation, to wit: fifty years, unless it is sooner dissolved by the Legislature; not dissolved by the corporators, for they can not dissolve it. Neither the bond certificates nor certificates of membership are transferable or negotiable. The term "securities" in its broader sense implies bonds, certificates of stock, promissory notes, bills of exchange, State warrants, etc.

Thayer vs. Nathan, 17 Texas Civ. Ap., 301.

Holding Company vs. Commonwealth, 102 N. E., 651.

In re State Warrants, 41 N. W., 636, 637.

We are of the opinion therefore that when the Legislature authorizes the investment of these funds in the bond certificates, that such certificates are within the contemplation of the Constitution.

#### XVI.

It has been suggested that the in-

vestment of the school fund, or rather its reinvestment, for that is what the proposition amounts to, in the bond certificates is a diversion of the school fund or its appropriation in violation of Section 5, Article 7, of the Constitution. and of Section 7, Article 8, thereof. This position, too, is untenable. No part of the school fund is devoted to any other purpose than State public schools. The income becomes fixed and continues a part of the available fund, and the certificates simply take the place of the present bonds. A diversion would mean putting the fund or some part of it to a use not contemplated or permitted by the Constitution.

Century Dictionary, Vol. 3, p. 1704.

Opinions of Attorney General of Texas, Vol. 1908-1910, p. 160 et seq.

In re State Warrants, 41 N. W., 635.

Ives vs. Jacobs, 1st N. Y. Supp., 330.

State vs. Railway Co., 51 Miss., 365.

Boydston vs. Rockwall County, 86 Texas, 238.

In the last case just cited the Supreme Court of the State had before it an act of the Legislature authorizing the exchange of an existing investment of the county school fund for another investment, and the court held that the act of the Legislature was one within its authority. The constitutional provision before the court related to the investment of permanent county school funds, to wit: Section 6, Article 7, which is substantially the same in language as that section of the Constitution we have been examining with reference to the permanent State funds. In the case of *In re State Warrants*, the Supreme Court of the State of Nebraska had before it the question whether or not State warrants bearing interest are State securities under Article 8, Section 9, of the Constitution of that State. The section referred to reads as follows:

"All funds belonging to the State for educational purposes, the interest and income whereof only are to be used, shall be deemed trust funds held by the State, and the State shall supply all losses thereof that may in any manner accrue, so that the same shall remain forever inviolate and undiminished; and shall not be invested or loaned except on United States or State securities, or registered county bonds of this State; and such funds, with the interest and income thereof, are hereby solemnly pledged for the purposes for which they are granted and set apart, and shall not be transferred to any other fund for other uses."



What the Legislature really desired to do was to issue interest bearing State warrants and cash same out of the permanent school fund of the State on the theory that such would be an investment of the school fund in State securities. The Supreme Court held that this could be done and that the construction suggested was a correct one, saying:

"By this section it will be observed that the funds belonging to the State for educational purposes, referred to, are denominated 'trust funds' held by the State; all losses to be supplied by the State, so that the funds shall remain forever inviolate and undiminished. In other words, the State becomes guarantor of the whole fund, and assumes the attitude of trustee thereof. The State secures the fund against loss. In whatever direction or to whatever purpose the money is invested, the State is still a surety for its safe return to its proper fund. The language contained in the provision that the fund shall not be 'invested or loaned, except on United States or State securities,' must be construed with reference to and in harmony with the other portion of the section. This being done, there would seem to be no doubt but that State warrants drawing interest, and secured by a levy of taxes for the payment, are 'securities' within the provisions of the section."

In this instance the Legislature created or made a class of securities which came within the constitutional definition for the purpose of paying current expenses of the government and cashing the same out of the permanent school fund, the court holding that it had authority to do so. This case shows that where the securities invested in are such as may be invested in under the Constitution, the fact that the immediate proceeds of such securities may be devoted to a different purpose does not create a diversion of the school fund so long as the corpus of the property remains devoted to its own use. That the State must have substantially plenary power in the investment of this school fund in view of the fact that the State is made responsible for all investment, would appear to be sound in reason as well as supported by authority.

In the case of *State vs. V. N. R. R. Co.*, 51 Miss., 303, the suit arose by the filing of a bill by the Attorney General to enjoin the railroad company from receiving and the State Treasurer from delivering State bonds to the company amounting to the sum of \$218,000 held by the State as the fund arising out of

the sale of the agricultural land script granted by Congress for a perpetual fund, the interest to be used and devoted for the endowment and support of an agricultural college. The act of Congress directed that the proceeds of the sale of the land script granted to the State should be invested in stocks of the United States or in other safe stocks, yielding not less than five per cent per annum upon the par value thereof, and that if any portion of the fund should be lost or diminished it should be replaced by the State, so that the capital of the fund should remain forever undiminished. The Supreme Court of Mississippi held that it was intended by the act that the discretion should be conferred upon the Legislature to make the selection of the investment of the fund, and in discussing the matter among other things said:

"Two ideas are distinctly set forth: First, that the capital sum shall be kept perpetually invested; and secondly, if the State shall make a bad investment, and a loss should happen, the State must make it good. Where the State is under a duty to replace the capital that may be lost, it is too plain for argument that she ought to have the selection of investments, and it was intended that such discretion should be conferred, and if at any time the Legislature should discover or be of opinion that an investment authorized was unsafe, the Legislature is competent to direct such investment not to be made."

The opinion is persuasive considered as a whole that the State has authority to direct a reinvestment of the school fund and other securities such as it may define, and that such investment is not a diversion of such fund or misappropriation thereof, but the proper exercise of that discretion which necessarily resides in the State under the binding provision which makes it responsible for all investments of the school fund.

#### XVI.

It has been suggested that the bill in exempting the holdings of member banks in its capital and the bond certificates of the school fund from taxation violates Section 2 of Article 8 of the Constitution. This contention is not correct. The holdings of the school fund are public property and are now exempt. The certificates of the member banks are but an investment of a portion of the capital stock of those banks, which capital stock is taxed and if these cer-

tificates were to be taxed in addition then it would be a matter of double taxation. As a matter of fact the investment in the certificates is taxed by reason of the fact that the capital stock of the bank is taxed. Section 4 of Article 8 with reference to the taxation of property of corporations refers to private corporations, not public corporations, such as The Bank of Texas and has no application.

#### XVII.

The question has also been raised that the Constitution does not confer power upon the members of the Board of Education to organize a public corporation, and that the bill therefore violates Section 8 of Article 7 of the Constitution. This contention simply evidences an incorrect conception of the State Constitution. Inasmuch as the State Constitution does not prohibit this duty being conferred upon the members of the Board of Education the Legislature may confer that duty. The Legislature can confer any executive duty upon its officers, except in those instances where prohibited by the Constitution. This is elementary under many authorities previously cited. But be that as it may, Section 8 of Article 7 requires the Board of Education to perform such other duties as may be prescribed concerning public schools and under this general provision, even if we were compelled to construe the State Constitution as a grant of powers, rather than an enumeration of limitations, the Legislature would have ample authority to require the Board of Education to organize a public corporation for the investment of the school fund.

#### XVIII.

It will hardly be contended that this bill requiring the available school fund to be deposited in the Bank violates Section 8 of Article 7, which requires the Board of Education to distribute the funds to the several counties, etc., as it has been definitely settled by the Supreme Court that a depository may be substituted for the county treasury for the deposit of available school funds. We regard this question as settled, as suggested.

Charlton vs. Cousins, 124 S. W., 422.

#### XIX.

It has been suggested that the State has no right to require State banks to

invest any of their capital in the membership certificates in the State Bank or to require them to become members of The Bank of Texas; that to do so would be to take their property without due process of law. There is no force in this position. The Federal Reserve Act made the same requirement of the national banks and after all the national banks in the United States have complied with this provision it would appear to us to be too late now to raise the question. Be this as it may, the question is one which easily resolves itself in favor of the right of the State to make this requirement. It cannot be taking the property without due process of law, because the State does not take the property, it simply takes from the corporation its franchise to act as a corporation at the end of a period of twelve months, in the event the bank does not become a member of The Bank of Texas, as provided by law.

The case of Noble State Bank vs. Haskell, 219 U. S., pages 109 et seq., would seem to answer every question which might be raised. The opinion of the Supreme Court of the United States upheld the right of the State of Oklahoma to require contributions to its depositors' guaranty fund, and is in principle paralleled with the present question. It will be recalled that Section 16 of Article 16 of our Constitution gives the State the right to supervise, regulate and control its banking corporations in a manner which will adequately protect and secure the depositors and creditors thereof. So far as The Bank of Texas measure is concerned, the required investment in its capital is, for these purposes, among others, strictly within the terms of the constitutional provision. However, outside of that, the opinion of the Supreme Court in the case named above would seem to settle the question. This opinion reads as follows:

"This is a proceeding against the Governor of the State of Oklahoma and other officials who constitute the State Banking Board, to prevent them from levying and collecting an assessment from the plaintiff under an Act approved December 17, 1907. This act creates the Board and directs it to levy upon every bank existing under the laws of the State an assessment of 1 per cent of the bank's average daily deposits, with certain deductions, for the purpose of creating a depositors' guaranty fund. There are provisos for keeping up the fund, and by an act

passed March 11, 1909, since the suit was begun, the assessment is to be 5 per cent. The purpose of the fund is shown by its name. It is to secure the full repayment of deposits. When a bank becomes insolvent and goes into the hands of the Bank Commissioner, if its cash immediately available is not enough to pay depositors in full, the Banking Board is to draw from the depositors' guaranty fund (and from additional assessments if required) the amount needed to make up the deficiency. A lien is reserved upon the assets of the failing bank to make good the sum thus taken from the fund. The plaintiff says that it is solvent and does not want to help of the guaranty fund, and that it cannot be called upon to contribute toward securing or paying the depositors in other banks consistently with Article 1, Section 10, and the Fourteenth Amendment of the Constitution of the United States. The petition was dismissed on demurrer by the Supreme Court of the State. (22 Oklahoma, 48.)

The reference to Article 1, Section 10, does not strengthen the plaintiff's bill. The only contract that it relies upon is its charter. That is subject to alteration or repeal, as usual, so that the obligation hardly could be said to be impaired by the Act of 1907 before us, unless that statute deprives the plaintiff of liberty or property without due process of law. See *Sherman vs. Smith*, 1 Black., 587. Whether it does so or not is the only question in the case.

In answering that question we must be cautious about pressing the broad words of the Fourteenth Amendment to a drily logical extreme. Many laws which it would be vain to ask the court to overthrow could be shown, easily enough, to transgress a scholastic interpretation of one or another of the great guarantees in the Bill of Rights. They more or less limit the liberty of the individual or they diminish property to a certain extent. We have few scientifically certain criteria of legislation, and as it often is difficult to mark the line where what is called the police power of the States is limited by the Constitution of the United States, judges should be slow to read into the latter a nolumus entare as against the law-making power.

The substance of the plaintiff's argument is that the assessment takes private property for private use without compensation. And while we should assume that the plaintiff would retain a

reversionary interest in its contribution to the fund so as to be entitled to a return of what remained of it if the purpose were given up (see *Receiver of Denby vs. State Treasurer*, 39 Vermont, 92, 98), still there is no denying that by this law a portion of its property might be taken without return to pay debts of a failing rival in business. Nevertheless, notwithstanding the logical form of the objection, there are more powerful considerations on the other side. In the first place it is established by a series of cases that no ulterior public advantage may justify a comparatively insignificant taking of private property for what, in its immediate purpose, is a private use. *Clark vs. Nash*, 190 U. S., 361. *Strickley vs. Highland Boy Mining Co.*, 200 U. S., 527, 531. *Offield vs. New York, New Haven & Hartford R. R. Co.*, 203 U. S., 372. *Bacon vs. Walker*, 204 U. S., 311, 315. And in the next, it would seem that there may be other cases beside the everyday one of taxation, in which the share of each party in the benefit of a scheme of mutual protection is sufficient compensation for the correlative burden that it is compelled to assume. See *Ohio Oil Co. vs. Indiana*, 177 U. S., 190. At least, if we have a case within the reasonable exercise of the police power as above explained, no more need be said.

It may be said in a general way that the police power extends to all the great public needs. *Camfield vs. United States*, 168 U. S., 518. It may be put forth in aid of what is sanctioned by usage, or held by the prevailing morality or strong and preponderant opinion to be greatly and immediately necessary to the public welfare. Among matters of that sort probably few would doubt that both usage and preponderant opinion give their sanction to enforcing the primary conditions of successful commerce. One of those conditions at the present time is the possibility of payment by checks drawn against bank deposits, to such an extent do checks replace currency in daily business. If then the Legislature of the State thinks that the public welfare requires the measure under consideration, analogy and principle are in favor of the power to enact it. Even the primary object of the required assessment is not a private benefit as it was in the cases above cited of a ditch for irrigation or a railway to a mine, but it is to make the currency of checks secure, and by the same stroke to make safe the almost com-

pulsory resort of depositors to banks as the only available means for keeping money on hand. The priority of claim given to depositors is incidental to the same object and is justified in the same way. The power to restrict liberty by fixing a minimum of capital required of those who would engage in banking is not denied. The power to restrict investments to securities regarded as relatively safe seems equally plain. It has been held, we do not doubt rightly, that inspections may be required and the cost thrown on the bank. See *Charlotte, Columbia & Augusta R. R. Co. vs. Gibbes*, 142 U. S., 386. The power to compel, beforehand, co-operation, and thus, it is believed, to make a failure unlikely and a general panic almost impossible, must be recognized, if government is to do its proper work, unless we can say that the means have no reasonable relation to the end. *Candling vs. Chicago*, 177 U. S., 183, 188. So far is that from being the case that the device is a familiar one. It was adopted by some States the better part of a century ago, and seems never to have been questioned until now. *Receiver of Danby Bank vs. State Treasurer*, 39 Vermont, 92; *People vs. Walker*, 17 N. Y., 502. Recent cases going not less far are *Lemiux vs. Young*, 211 U. S., 496, 498; *Kidd, Dater and Price Co. vs. Musselman Grocer Co.*, 217 U. S., 461.

It is asked whether the State could require all corporations or all grocers to help to guarantee each other's solvency, and where we are going to draw the line. But the last is a futile question, and we will answer the others when they arise. With regard to the police power, as elsewhere in the law, lines are pricked out by the gradual approach and contact of decisions on the opposing sides. *Hudson County Water Co. vs. McCarter*, 209 U. S., 349, 355. It will serve as a datum on this side, that in our opinion the statute before us is well within the State's constitutional power, while the use of the public credit on a large scale to help individuals in business has been held to be beyond the line. *Loan Association vs. Topeka*, 20 Wall., 656; *Lowell vs. Boston*, 111 Massachusetts, 454.

The question that we have decided is not much helped by propounding the further one, whether the right to engage in banking is or can be made a franchise. But as the latter question has some bearing on the former and as it will have to be considered in the fol-

lowing cases, if not here, we will dispose of it now. It is not answered by citing authorities for the existence of the right at common law. There are many things that a man might do at common law that the States may forbid. He might embezzle until a statute cut down his liberty. We can not say that the public interests to which we have adverted, and others, are not sufficient to warrant the State in taking the whole business of banking under its control. On the contrary we are of opinion that it may go on from regulation to prohibition except upon such conditions as it may prescribe. In short, when the Oklahoma Legislature declared by implication that free banking is a public danger, and that incorporation, inspection and the above-described cooperation are necessary safeguards, this court certainly can not say that it is wrong. (*North Dakota vs. Woodmansee*, 1 N. D. 246; *Brady vs. Mattern*, 125 Iowa, 158; *Weed vs. Bergh*, 141 Wis., 569; *Commonwealth vs. Vreeman*, 164 Pa., 306; *Myers vs. Irwin*, 2 S. & R., 368; *Myers vs. Manhattan Bank*, 20 Ohio, 293, 302; *Attorney General vs. Utica Insurance Co.*, 2 Johns. Ch., 371, 377.) Some further details might be mentioned, but we deem them unnecessary. Of course objections under the State Constitution are not open here." (219 U. S. Reports, pp. 109-113.)

This same criticism was urged against the Federal Reserve Bank Bill and Mr. Glass, Chairman of the House Committee on Banking and Currency, replied to the criticism in an article published in the Proceedings of the Academy of Political Science, issued October, 1913, in which he in part said:

"The second criticism of the bill relates to the so-called compulsory feature. Critics allege that it is unjust and confiscatory to compel national banks to invest part of their capital in a Federal reserve bank, on penalty of forfeiture of their national charters if they fail to do so. Many of these same critics, however, have been for years criticizing the Federal government for its inadequate and unscientific national banking laws, under which the country's system has again and again broken down, to the distress of banker, merchant, farmer and laborer alike. How the national government is about to effect a thorough-going reform of these same defective banking laws, in the interest of the entire public. To be successful, the newly created Federal reserve banks must be strong and must inspire confidence from the start. If

sacrifices are involved in joining the new system, these sacrifices should be borne by all, not merely by those bankers who are at once wide-awake and public spirited. I ask you in all fairness, is it unreasonable for the government to say to the national banks, "If you wish to retain the name 'national,' and to enjoy the privileges which are conferred upon banks chartered by the national government, you must assume the obligations which the national government believes the dictates of sound banking require in the public interest. If you do not wish to do so, you are perfectly free to give up your Federal charter and to accept the privileges and assume the obligations which State charters involve. You may have a year to decide, but if you are to remain permanently in the national system, you must expect to play the game according to the national rules."

What Mr. Glass there said with reference to the Federal Reserve Bank Bill may with much propriety be applied to the criticism of this measure in requiring State banks to become members of The Bank of Texas, which is, in fact, a State reserve bank for the State banks, more than four hundred of which can not enter the Federal reserve system.

## XX.

We have noted that there is some suggestion that the bonds sought to be used by this bill as capital are made non-negotiable and have such fact stamped on the same, and that for this reason the bonds would not be available as capitalization for the bank.

Of course, if these bonds now are non-negotiable they are so merely by reason of the statute authorizing the Treasurer to stamp them so in order to protect the State Treasurer against any theft or loss of the bonds. The statute if not repealed and the bonds made negotiable by the present bill could readily be amended by this measure and the same be made negotiable in all respects. However, the fact that the bonds are made non-negotiable does not in any manner limit the right to transfer them or affect the actual ownership of the transferee. It simply amounts to requiring that the bonds shall be assigned by a written assignment, instead of passing by mere delivery, as is the case in an ordinary negotiable instrument or by blank indorsement or indorsement to order.

Revised Statutes, Article 583.

The legal rights of the holder of a non-negotiable instrument are set forth under Article 584, Revised Statutes, as follows:

"The assignee of any instrument mentioned in the preceding article (Article 583, with reference to non-negotiable instruments) may maintain an action thereon in his own name, but he shall allow every discount and defense against the same which it would have been subject to in the hands of any previous owner before notice of the assignment was given to the defendant; and in order to hold the assignor as surety for the payment of the instrument the assignee shall use due diligence to collect the same."

It is clear, therefore, from these statutes that the fact that these bonds are made non-negotiable so long as they are a part of the school fund does not affect in any manner their use as capital for this bank, for such non-negotiable feature may be obliterated by law, just as it was placed thereon by law; or even if it should not be done, the bonds become merely in effect transferable by written transfer and subject to any defenses which the makers thereof might have against a holder under transfer. Those instruments when issued by the respective municipalities were made negotiable and the effect of the State's indorsement of "non-negotiable" was simply to make them non-negotiable in so far as the rights of the State are concerned and could not have the effect of invalidating the original contract made by the municipality issuing the same, nor of changing that contract in any respect. The action of the State may be likened to the action of a bondholder who has his bond registered in his own name and thereby secures the payment of the principal and interest to him alone, unless changed by written transfer or written order. At any rate, the entire problem is easy of solution by simply providing in the present bill that the indorsement of "non-negotiable" shall be enraised and that the bonds shall be negotiable so far as the rights of the State are concerned.

## XXI.

In the event the Legislature shall decide to pass this bill, some enlargements and amplifications of some of its sections would appear to be proper and necessary, with perhaps one or two additional sections, which would not, how-

ever, in any manner change the general effect or arrangement of the bill, but amount merely to amplifications of the measure.

## XXII.

Some apology is perhaps due for the unusual length of this opinion, but we have sought to make it not a mere opinion of the Department, but a brief on the various questions which have

been suggested to me, in order that such assistance as the opinion may give will arise from the authorities cited and not from the mere judgment of the lawyers writing or approving this opinion.

B. F. LOONEY,  
Attorney General.

C. M. CURETON,

C. W. TAYLOR,  
Assistants Attorney General.

The following message received on the 29th of September was read and ordered printed in the Journal:

Governor's Office,  
State of Texas.

Austin, Texas, September 29, 1914.

To the Senate and House of Representatives:

For the information of the members of the Legislature, I transmit to you statements from the biennial reports of the State Treasurer showing the amount of land notes, and bonds, and the kind of bonds, belonging to the school fund, and the interest they bear. The statements also show the estimated income, which income, under the law, goes to the available school fund and is used annually for the support of public schools.

## For 1906.

The statement for the fiscal year ending August 31, 1906, is as follows:

Statement of Condition of Permanent School Fund on September 1, 1906.

Cash on hand uninvested.....	\$	945,811 70
Bonds, 3½ per cent, city and independent school district .....	\$	8,200 00
Bonds, 4 per cent, city and independent school district .....		615,250 00
Bonds, 4½ per cent, city and independent school district .....		34,047 55
Bonds, 5 per cent, city and independent school district .....		547,114 99
Bonds, 6 per cent, city and independent school district .....		23,700 00
Bonds, 3 per cent, county.....		1,320,450 00
Bonds, 3½ per cent, county.....		455,250 00
Bonds, 4 per cent, county.....		3,766,127 00
Bonds, 4½ per cent, county.....		273,800 00
Bonds, 5 per cent, county.....		1,446,896 00
Bonds, 6 per cent, county.....		328,907 00
Bonds, 6 per cent, H. & T. C. Ry.....		\$432,000 00
Bonds, 6 per cent, G., H. & S. A. Ry.....		408,000 00
Bonds, 6 per cent, Washington Co. Ry. ....		37,017 00
Bonds, 6 per cent, H. & T. B. Ry.....		295,800 00
Bonds, 6 per cent, T. & N. O. Ry.....		430,500 00
Bonds, 3 per cent, State of Texas.....		1,603,317 00
Bonds, 4 per cent, State of Texas.....		1,625,000 00
Bonds, 5 per cent, State of Texas.....		229,500 00
Bonds, 6 per cent, State of Texas.....		298,500 00
Bonds, 7 per cent, State of Texas.....		80,000 00
Land notes, 10 per cent (July 7, 1906).....		12,656,059 54
Land notes, 8 per cent (July 1, 1906).....		10,634 07
Land notes, 5 per cent (July 1, 1906).....		235,522 86
Land notes, 4 per cent (July 1, 1906)—mining claims .....		1,362,807 00
		46,259 34

Land notes, 3 per cent (July 1, 1906).....	25,829,547 14	27,484,770 41
Acres land leased at 3 cents.....	4,875,434	
Acres land leased at 3 1-6 cents.....	11,520	
Acres land leased at 3 1/4 cents.....	218,168	
Acres land leased at 3 1/2 cents.....	695,931	
Acres land leased at 3 3-4 cents.....	9,920	
Acres land leased at 4 cents.....	379,544	
Acres land leased at 4 1/4 cents.....	3,840	
Acres land leased at 4 1/2 cents.....	10,907	
Acres land leased at 4 3-4 cents.....	640	
Acres land leased at 5 cents.....	551,069	
Acres land leased at 5 1/2 cents.....	970	
Acres land leased at 6 cents.....	6,688	
Acres land leased at 7 cents.....	1,920	6,766,551

Grand total .....\$47,853,192 65

Estimated income for year ending August 31,  
1907, from permanent school fund (being inter-  
est and lease on land accounts, and interest  
on State, county and independent school  
district bonds) .....\$ 1,444,254 43

For 1908.

The statement for the year 1908 is as follows:

Statement of Condition of Permanent School Fund.

Cash on hand uninvested.....		\$ 67,956 11
Bonds, 3 1/2 per cent, city and independent school district .....	\$ 8,200 00	
Bonds, 4 per cent, city and independent school district .....	856,150 00	
Bonds, 4 1/4 per cent, city and independent school district .....	23,000 00	
Bonds, 4 1/2 per cent, city and independent school district .....	119,047 55	
Bonds, 4 3-4 per cent, city and independent school district .....	5,000 00	
Bonds, 5 per cent, city and independent school district .....	2,054,763 98	
Bonds, 6 per cent, city and independent school district .....	46,200 00	3,112,361 53
Bonds, 3 per cent, county.....	1,231,000 00	
Bonds, 3 1/4 per cent, county.....	414,750 00	
Bonds, 4 per cent, county.....	4,127,480 00	
Bonds, 4 1/4 per cent, county.....	264,300 00	
Bonds, 5 per cent, county.....	1,297,899 00	
Bonds, 6 per cent, county.....	248,500 00	7,583,929 00
Bonds, 3 per cent, State of Texas.....	1,625,000 00	
Bonds, 4 per cent, State of Texas.....	229,500 00	
Bonds, 5 per cent, State of Texas.....	752,700 00	
Bonds, 7 per cent, State of Texas.....	8,000 00	2,687,200 00
Bonds, 5 per cent, Penitentiary Railroad bonds..	150,000 00	150,000 00
Bonds, 5 per cent, H. & T. C. Ry. bonds.....	432,000 00	
Bonds, 6 per cent, G., H. & S. A. Ry. bonds....	408,000 00	
Bonds, 6 per cent, Washington Co. Ry. bonds....	37,017 00	
Bonds, 6 per cent, H. T. & B. bonds.....	296,800 00	
Bonds, 6 per cent, T. & N. O. bonds.....	430,500 00	1,603,317 00
Land notes, Acts of 1874, 10 per cent.....	2,300 40	
Land notes, Acts of 1879, 10 per cent.....	5,305 45	
Land notes, Acts of 1881, 8 per cent.....	152,157 79	
Land notes, Acts of 1883, 8 per cent.....	26,671 72	

Land notes, Acts of 1883, 5 per cent.....	365,235 22	
Land notes, Acts of 1887, 5 per cent.....	667,420 73	
Mining, Acts of 1895, 4 per cent.....	63,254 48	
Acts of 1895 and amendments, 3 per cent.....	36,530,890 20	
Acts of 1895, 5 per cent.....	592,986 52	38,406,222 51

Total cash and securities belonging to permanent school fund..\$53,610,986 15

In addition to the above cash and securities there are under lease for account of permanent school fund the following lands:

	Acres.
At 3 cents per acre.....	2,560,412
At 3 1-6 cents per acre.....	11,520
At 3 3-4 cents per acre.....	230,532
At 3½ cents per acre.....	638,690
At 3 3-4 cents per acre.....	13,120
At 4 cents per acre.....	296,812
At 4½ cents per acre.....	3,840
At 4½ cents per acre.....	6,426
At 4 3-4 cents per acre.....	1,256
At 5 cents per acre.....	183,355
At 5½ cents per acre.....	970
At 6 cents per acre.....	9,863
At 7 cents per acre.....	640
At 10 cents per acre.....	28
At 13 cents per acre.....	160
At \$1.16 12-43 cents per acre.....	4.3

Total number acres leased..... 3,957,628.3

Estimated income for year ending August 31, 1909, from permanent school fund (being interest and lease on land accounts, and interest on State, county, city and independent school district bonds) .....\$1,906,116 53

#### For 1910.

The statement for the year 1910 is as follows:

Statement Showing Condition of Permanent School Fund on September 1, 1910.

Cash on hand.....	\$	51,066 61
Bonds, city and independent school district.....	\$ 4,732,288 53	
Bonds, county .....	7,591,439 00	
Bonds, penitentiary railroad.....	200,000 00	
Bonds, State of Texas.....	2,761,300 00	15,285,027 53
Bonds, H. & T. C. Ry. Co.....	432,000 00	
Bonds, G. H. & S. A. Ry. Co.....	408,000 00	
Bonds, Washington Co. Ry.....	37,017 00	
Bonds, H. T. & B. Ry.....	295,800 00	
Bonds, T. & N. O. Ry.....	430,500 00	1,603,317 00
By amount accrued interest to May 1, 1870, on T. & N. O. Ry. bonds, which become part of railroads bonded debt, Act of Legislature approved August 13, 1870.....		220,831 25
*Land notes, 3 per cent.....	\$45,469,951 08	
Land notes, 4 per cent.....	326,742 65	
Land notes, 5 per cent.....	1,843,717 75	
Land notes, 8 per cent.....	161,961 21	
Land notes, 10 per cent.....	7,132 24	47,809,504 93

Total cash and securities belonging to permanent school fund....\$64,969,547 32



## Statement of Condition of Permanent School Fund Bond Account.

## Credits.

By amount State bonds, face value.....	\$ 2,761,300 00	
By amount Penitentiary R. R. bonds, face value..	200,000 00	
By amount city and independent school district bonds, face value .....	4,732,288 53	
By amount county bonds, face value.....	7,591,439 00	
By amount railroad bonds, face value.....	1,603,317 00	\$16,888,344 53

## Debits.

To amount sinking fund paid on county bonds....	\$ 32,290 00	
To amount sinking fund paid on T. & N. O. Ry. bonds .....	359,761 86	392,061 86
To amount face value railroad bonds, same being of no value, towit:		
*H. & T. C. Ry. Co.....	432,000 00	
*Washington Co. Ry. Co.....	37,017 00	
*G. H. & S. A. Ry. Co.....	408,000 00	
**H. T. & B. Ry. Co.....	295,800 00	1,172,817 00
Total debits .....		\$ 1,564,868 86

Actual value of permanent school fund account.....\$15,323,475 67

Estimated income for year ending August 31, 1910, from permanent school fund  
as follows:

Annual interest county bonds.....	\$ 305,957 71	
Annual interest city and independent school dis- trict bonds .....	238,430 44	
Annual interest State bonds.....	107,165 00	
Annual interest land notes owned by permanent fund .....		\$ 1,483,024 22
Annual interest T. & N. O. Ry. bonds.....	14,568 46	666,121 61
Total actual income for year.....		\$ 2,149,145 83

## For 1912.

The statement for the year 1912 follows:

## Statement Showing Condition of Permanent School Fund on September 1, 1912.

Cash on hand .....		\$ 90,729 80
Bonds city and independent school districts.....	\$ 5,280,729 78	
Bonds, county .....	7,049,834 00	
Bonds, county common school district.....	1,263,750 00	
Bonds, Penitentiary Railroad .....	100,000 00	
Bonds, State of Texas.....	2,772,000 00	16,466,313 78
Bonds, H. & T. C. Ry. Co.....	432,000 00	
Bonds, G. H. & S. A. Ry. Co.....	408,000 00	
Bonds, Washington Co. Ry. Co.....	37,017 00	
Bonds, H. T. & B. Ry. Co.....	295,800 00	
Bonds, T. & N. O. Ry. Co.....	430,500 00	1,603,317 00
By amount accrued interest to May 1, 1870, on T. & N. O. Ry. bonds, which became part of railroad bonded debt, Acts of Legislature ap- proved August 13, 1870.....		220,631 25
*Land notes, 3 per cent.....	48,509,733 23	
Land notes, 4 per cent.....	370,720 56	
Land notes, 5 per cent.....	1,883,825 51	
Land notes, 8 per cent.....	138,828 52	
Land notes, 10 per cent.....	6,179 60	50,909,287 42
Unsold sectionized land valued at \$1 per acre....		1,636,176 49

Total cash and securities belonging to permanent school fund...\$70,926,455 74

## Statement of Condition of Permanent School Fund Bond Account.

## Credits.

By amount State bonds, face value.....	\$ 2,772,000 00	
By amount Penitentiary Railroad bonds, face value	100,000 00	
By amount city and independent school district bonds, face value .....	5,280,729 78	
By amount county common school district bonds, face value .....	1,263,750 00	
By amount county bonds, face value.....	7,049,834 00	
By amount railroad bonds, face value.....	1,603,317 00	\$18,069,630 78

## Debits.

To amount sinking fund paid on county bonds....	\$ 42,860 00	
**To amount sinking fund paid on T. & N. O. Ry. Co. bonds .....	150,592 00	193,452 00
To amount face value railroad bonds, same being of no value, towit:		
*H. & T. C. Ry. Co.....	432,000 00	
*Washington Co. Ry. Co.....	37,017 00	
*G. H. & S. A. Ry. Co.....	408,000 00	
**H. T. & B. Ry. Co.....	295,800 00	1,172,817 00
Total debits .....		\$ 1,366,269 00

Actual value of permanent school fund bond account.....\$18,703,361 78

Estimated income for year ending August 31, 1912, from permanent school fund, as follows:

Annual interest, county bonds.....	\$ 281,857 71	
Annual interest, city and independent school district bonds .....	320,200 49	
Annual interest State bonds.....	92,605 00	
Annual interest T. & N. O. Ry. Co. bonds.....	14,794 48	\$ 709,457 68
Annual interest land notes owned by permanent fund ..		1,576,036 32
**Annual rental on leases.....		16,360 41

Total actual income for year.....\$2,301,854 41

## Recapitulation of Tables

A recapitulation of the foregoing tables showing the income to the available school fund from the permanent school fund shows the following:

For the year 1907:

From land and land notes.....	\$ 954,978 96
From interest on bonds.....	489,275 47
Total ..	\$1,444,254 43

For the year 1909:

From land and land notes.....	\$1,417,108 34
From interest on bonds.....	488,891 66
Total ..	\$1,906,000 00

For the year 1911:

From land and land notes.....	\$1,491,363 41
From interest on bonds.....	657,782 42
Total ..	\$2,149,145 83

For the year 1913:

From land and land notes.....	\$1,538,718 85
From interest on bonds.....	733,135 56
Total . . . . .	\$2,311,854 41

\*H. & T. C. Ry., Washington Co. Ry. and G. H. & S. A. Ry. companies bonds debt discharged under the decision of the Supreme Court, United States, allowing the roads credit for payment made on account interest and sinking funds, said payments having been made in Treasury warrants during the Civil War.

\*H. T. & B. Ry. Co. bonds were never paid in full: the road was sold at auction in 1871, and bought in by the State and afterwards sold by the State for \$130,000.

\*\*T. & N. O. Ry. Co. bonds, face value \$430,500, and accrued interest on said amount to May 1, 1870, \$220,631.25. Total debt, \$651,131.25. The sum of \$359,761.86, principal, has been paid, leaving the balance due on said bonds \$282,751.50. On this last amount interest and sinking fund is paid semi-annually.

\*\*\*This information is furnished by the Commissioner of the General Land Office.

#### Sources of School Fund.

In order that the Legislature may fully understand the proportion of the available school fund which is derived from land notes and leases on lands belonging to the public school fund and from bonds in the Treasury owned by the school fund, the following statement is given:

For the year 1907:

From taxation .....	\$3,203,540 57
Interest on school fund.....	1,144,254 43
Total . . . . .	\$4,347,795 00

For the year 1909:

From taxation .....	\$3,731,661 91
Interest on school fund.....	1,906,116 53
Total . . . . .	\$5,637,778 44

For the year 1911:

From taxation .....	\$4,145,037 67
Interest on school fund.....	2,149,145 83
Total . . . . .	\$6,294,183 50

For the year 1913:

From taxation .....	\$4,665,507 64
Interest on school fund.....	2,301,854 41
Total . . . . .	\$6,967,362 05

From \$6.25 to \$8.00.

The attention of the Legislature is invited to the increased income from the permanent fund, and the increase in the total amount expended for public school purposes for the period from 1911 to 1913. For the fiscal year ending August 31, 1911, the per capita expenditure by the State Board of Education for public schools by the State was \$6.25. The available school fund has gradually increased year by year since that time. The State Board of Education has already fixed the per capita apportionment for the present fiscal year at \$8.00. This will call for an expenditure of \$8,772,128 for public schools by the State for

the present fiscal year, at least \$6,350,000 of which will be raised by taxation. The interest-bearing permanent school fund, as shown by the report of the State Treasurer on September 1, 1910, consisted of the following securities:

Land notes .....	\$47,809,504 93
Bonds . . . . .	17,160,042 39
Total . . . . .	\$64,969,547 32

From this total should be deducted \$1,172,817 of railroad bonds paid in scrip during the war, leaving the total actual value of the permanent school fund \$63,796,730.32, in 1910.

#### Increase in Bonds.

A recapitulation of the bonds belonging to the school fund in 1910, as compared with this date, shows the following: Bonds in 1910, less deduction of the railroad bonds above referred to, \$15,987,225.39. Bonds at the present date, less deduction of the railroad bonds above referred to, \$18,204,363.78. This shows an increase during this administration in the bonds owned by the permanent school fund of \$2,217,138.39. The present administration has purchased no bonds for the school fund that draw less than five per cent interest.

#### School Land Notes.

The Land Commissioner holds land notes for the benefit of the public school fund at this time to the value of \$46,824,920.36. Under the reappraisalment act of the present Legislature, two million acres of land were forfeited for which the persons forfeiting same had to give their notes, approximating eight million dollars. The Commission to reappraise this land, however, in their report to me say that while in their reappraisalment of the lands the price in some cases was decreased, the price of other lands was increased, and in their opinion without net loss to the public school fund. Therefore, if we accept this as true on the lands reappraised, the eight million dollars should be added to the figures above given, making the total land notes held for the benefit of the permanent school fund \$54,824,920.36, or a total value of interest-bearing securities consisting of bonds and land notes at this time of \$73,029,284.14. These figures have been obtained with the assistance of the State Treasurer, mostly compiled from his annual reports, as shown above. The foregoing figures, it seems to me, fully refute accusations made by enemies of the present administration or those unfriendly to measures now pending, against the business management of the school fund by the present Board of Education.

#### School Fund Diversions.

Much is being said now by way of criticism about the diversion of the sacred school fund. There is a vast difference between diversion and conservation through provisions for increasing the income from bonds held by the permanent school fund, as now proposed by measures under consideration. No money has been lost to the State permanent or available school fund through any act of the State Board of Education during the last four years. The State Board of Education, under the Constitution and laws of this State, has absolute control of the investment of the permanent school fund. At the beginning of my term as Governor, I insisted upon the investment of the funds belonging to the permanent school fund coming into the Treasury in bonds bearing not less than five per cent interest, and have given preference to bonds issued by school districts, passed upon by the Attorney General, and issued for the building of comfortable and commodious school houses.

#### Slothful Management.

I know of no bank or business man in the country handling his own funds and those of the public for profit, who would use them in the manner which the Legislature has prescribed for the handling of the permanent school fund of this State. By legislative and executive action in the past, the value of this fund

has been dissipated to a considerable extent, and the income from the investment greatly reduced. Whereas, good business management suggests a more profitable use and investment of these funds.

#### Loss by Act of 1905.

The Act of April 18, 1905, approved by Governor Lanham, provided for the refunding of \$1,647,000 of six per cent State of Texas bonds, with bonds bearing three per cent. Of this amount, the permanent school fund owned \$1,447,000; \$165,000 was held by the permanent University fund, and \$35,000 by the permanent fund of the A. and M. College. These bonds matured July 1, 1906. They could not be sold at par to the bond purchasing public on account of the very low rate of interest. Therefore, they were sold back to the public school fund, and University and A. and M. College funds, in redemption of the six per cent bonds. This represented a clear loss to the available school fund of \$43,410 per annum, or, for the eight years since the refunding of these bonds, the sum of \$347,280. A like loss was sustained by the permanent University and A. and M. College funds on the amount of bonds held by them.

#### Losses by Acts of 1909-10.

By an act of the Regular Session of the Thirty-first Legislature, approved by Governor Campbell May 12, 1909, provision was made for refunding \$298,000 of State bonds; \$174,000 of which was held by the A. and M. College, \$80,000 by the permanent school fund, \$26,000 by the permanent University fund, \$12,000 by the lunatic asylum fund, and \$6,000 by the Deaf and Dumb Asylum fund. These bonds matured September 1, 1910. The refunding bonds bearing three per cent were sold back to the funds holding the expiring bonds. The school fund lost two per cent on these bonds, which was equal to \$1,600 per annum, or a total of \$6,400 for the four years intervening since the refund was made.

At the Third Called Session of the Thirty-first Legislature, a bill was passed and approved by Governor Campbell, August 15, 1910, providing for refunding \$1,353,700 of State bonds; \$799,300 of which were held by the State permanent school fund; \$217,200 by the permanent University fund; \$24,300 by the permanent Orphan Home fund; \$29,500 by the permanent Blind Asylum fund; \$46,600 by the permanent Deaf and Dumb Asylum fund; \$62,800 by the permanent Lunatic Asylum fund, and \$174,000 by the permanent A. and M. College fund. All of the old bonds drew five per cent. They were refunded with bonds bearing three per cent, showing a net loss of income to the available school fund of two per cent per annum on \$799,300, or \$15,986 annually, or a total of \$63,944 for the four years since the refunding of said bonds. The other institutions lost a like percentage on the bonds held by them.

#### Recapitulation of Losses.

A recapitulation of the losses to the available school fund resulting from the refunding of these bonds at a lower rate of interest shows an annual loss to the available school fund of \$43,410 from the act approved by Governor Lanham, or \$347,280 for the eight years since the refunding act approved by Governor Lanham went into effect. The annual loss to the public school fund as a result of the refunding acts approved by Governor Campbell, is \$17,586, or for the four years since the refunding acts went into effect of \$70,344, making a grand total of loss resulting from the three refunding acts to the public available school fund of \$417,624, from the time the bonds were refunded to this time.

At this point I may call attention to a lack of regard for the sacredness of the income from this portion of the public school fund. It is true that the amount of interest which the school fund lost was saved to the State, but it was a case of "robbing Peter to pay Paul."

#### Sixteen Million Legislated Away.

In a message to the State Senate under date of February 27, 1913 (see Senate Journal, Thirty-third Legislature, page 655), suggesting to the Senate that they

recall a bill which had been passed for further consideration, I made the following statement:

"In 1895 an appeal was made to the Texas Legislature for relief to purchasers of public school lands. On account of the drouths which had prevailed theretofore for a number of years, it was contended that the purchasers of these lands were unable to meet the interest charges and annual payments. The Legislature harkened to the appeal then made and passed an act for the relief of school land purchasers. Prior to the passage of this act school land sales had been made under the forty-year actual settlement clause, bearing from five to ten per cent interest, according to the act of the Legislature under which the purchase of land was made.

"The Act of 1895 reduced the rate of interest to three per cent and provided that lands theretofore purchased might be forfeited for the non-payment of interest, and giving a ninety-days' preference right to the original purchaser to re-purchase the same at a price to be fixed by the Commissioner of the General Land Office. The re-purchaser of the lands under this act not only got the benefit of the reduction in the former sale price, but the act also provided for the reduction of past due interest to the rate of three per cent on the deferred payments, the former interest rates, as I have already stated, being five, eight and ten per cent on the former purchase price.

#### How It Worked.

"The biennial report of the Commissioner of the General Land Office for the years ending August 31, 1898, contains a statement of the total acreage of school land theretofore sold and forfeited for every cause. The total sales not patented amounted to 18,810,705 acres, and the total forfeitures amounted to 9,797,692 acres, leaving the total number of sales in good standing at 9,013,013 acres. This report of the Commissioner of the General Land Office shows a total number of land accounts of 20,000, of which number 8,385, or 40 per cent, were forfeited during the first three years after the enactment of the statute of 1895, said statute granting the preference right to re-purchase with reduced rates of interest and reduced prices, as fixed by the Commissioner of the General Land Office. Of the total forfeitures under this act, according to a statement of the present Commissioner of the General Land Office furnished to me, 7,680,503 acres of public school lands had been sold at from two to three dollars per acre, and provided for an interest charge of five to eight per cent.

#### Princely Sum.

"On page 8 of the report of the Commissioner of the General Land Office for 1898, the statement is made that the school lands were then being generally sold at one dollar per acre, which, of course, meant that the lands theretofore sold at two and three dollars per acre and bearing five to eight per cent interest were being cancelled, and the lands resold at one dollar per acre at three per cent interest. Estimating the number of acres of land forfeited and resold under the Act of 1895 at 40 per cent of the unpatented lands at that time it is apparent that the Act of 1895 cost the public school fund several million dollars. I estimate the loss, in principal and interest, at from ten to sixteen million dollars."

The foregoing citations of the effect of certain legislative enactments upon the income and value of the school fund and showing how it has been reduced in value and productiveness, are interesting at this time. The purpose of the banking bill before you is to enable a portion of the school fund to increase its productiveness for the education of the children, as well as to aid in relieving the distressed financial condition of their parents. The figures produced show a net loss in income and in value of from ten and one-half to sixteen million dollars.

#### Asked Bonds Be Redeemed.

In a message to the First Called Session of the Thirty-third Legislature I presented to you the subject of the passage of an act for the retirement of \$500,000 in the bonds of the State issued by virtue of Chapter 7 of the Acts of the Third Called Session of the Thirty-first Legislature. I suggested at that time that you appropriate the \$500,000 collected by the Attorney General with which to

retire an equal amount of three per cent refunding bonds, as provided by said Chapter 7 of the Acts of the Third Called Session of the Thirty-first Legislature, in order that the public school fund might be benefited by the reinvestment of the \$500,000 in five per cent bonds, which were offered to the State Board of Education by various school districts, counties, cities and towns. But the Legislature did not concur with my recommendation and the \$500,000 fine from the Magnolia Oil Company was covered into the general revenue, and the school fund continues to lose two per cent on \$500,000 which the adoption of this course would have saved to the school children of Texas.

#### State Railroad Bonds.

Criticism of the pending bill proposing the establishment of The Bank of Texas has included references to the investment of \$200,000 of the permanent public school fund in the bonds of the penitentiary State railroad, which runs from Rusk to Palestine. The penitentiary State railroad has never made the cost of its operating expenses from the time of its construction. But it has not defaulted in the payment of the interest on the bonds held by the public school fund. One hundred thousand dollars of these bonds were paid during the closing months of Governor Campbell's administration, and the school fund now owns \$100,000 of said bonds, on which the interest of five per cent is being paid to the available school fund. The railroad cost somewhere between five and six hundred thousand dollars, and undoubtedly is ample security for the bonded indebtedness outstanding against it, even if it has not made the cost of its operation.

#### Certain Other Railroad Bonds.

Now I come to the discussion of the much referred to loss which the school fund is alleged to have sustained by investment in certain railroad bonds before the Civil War. These bonds are given in the State Treasurer's report as follows:

H. & T. C. Ry.....	\$ 432,000 00
Washington County Ry.....	37,017 00
G. H. & S. A. Ry.....	408,000 00
H. T. & B. Ry.....	295,800 00
Total .....	\$1,172,817 00

#### Constitution of 1845.

I have already pointed out to the Legislature that the Constitution of 1845 did not require the State to guarantee the investment of the school funds. Section 2 of Article 10 of the Constitution of Texas of 1845 reads as follows:

"Section 2. The Legislature shall, as early as practicable, establish free schools throughout the State, and shall furnish means for their support, by taxation on property; and it shall be the duty of the Legislature to set apart not less than one-tenth of the annual revenue of the State derivable from taxation, as a perpetual fund, which fund shall be appropriated to the support of free public schools; and no law shall ever be made diverting said fund to any other use; and until such time as the Legislature shall provide for the establishment of such schools, in the several districts of the State, the fund thus created shall remain as a charge against the State, passed to the credit of the free common school fund."

It will be noted from the foregoing that the only permanent school fund created by the Constitution of 1845 was one-tenth of the annual revenue of the State derived from taxation. This was also made subject to appropriation by the Legislature for the support of public schools. The Constitution of 1845 did not create a State permanent school fund out of vacant lands, but it did provide for the creation of such public school fund for the counties by setting aside to each of them lands which were designated as permanent county public school funds.

#### School System Adopted.

An act passed by the Regular Session of the Fifth Legislature, approved Jan-

uary 1, 1854 (Gammel's Laws, Vol. 3, page 1461), provided for the establishment of a system of schools for the State of Texas. This act appropriated and set aside \$2,000,000 of five per cent bonds of the United States, at that time remaining in the Treasury of the State of Texas. This \$2,000,000 was called the "special school fund," the interest from which was to be used for the support of the system of public schools established by said act.

#### Loaned to Railroads.

The Sixth Legislature passed an act which was approved August 13, 1856 (Gammel's Laws, Vol. 4, page 449), which provided: "That the Governor, Comptroller and Attorney General, shall ex-officio constitute a board of school commissioners, whose duty it shall be to draw from the Treasury the special school fund created by the Act of January 31, 1854, entitled an act to establish a system of schools, and such other amount as may hereafter be added to said fund, and invest the same as provided in this act."

Section 2 of the act provides: "That the five per cent indemnity bonds belonging to said special school fund may, and shall be loaned to legally incorporated railroad companies in this State, at their current value, including premium; provided, said value shall not be less than par, otherwise at par, for the term of ten years from the date of said loans, at an interest of six per cent per annum, payable annually upon the terms and conditions specified in this act."

Section 3 of the act provides that the Board of School Commissioners shall be authorized to loan such railroads as may be named the sum of \$6000 per mile for each and every mile of railroad constructed, as thereafter provided.

#### Amendments.

The Seventh Legislature passed an act which was approved January 22, 1858 (Gammel's Laws, Vol. 4, page 929), amending the law which was approved August 13, 1856, providing that the "said Board of Commissioners shall loan said sum of six thousand dollars, for every mile of road completed, to any such company as shall have completed in a good and substantial manner, and furnished ready for actual use a continuous section of twenty-five miles of the road of said company, etc."

Under the statutes which I have quoted from, the State School Commissioners, composed of the Governor, Comptroller and Attorney General, loaned the money to the railroads above referred to. At that time the State of Texas was encouraging in every way possible the construction of railroads and other internal improvements. You will note that the bonds of the railroad companies were to bear six per cent.

#### Time for Payment Extended.

The Ninth Legislature, by an act approved January 11, 1862 (Gammel's Laws, Vol. 5, page 481), provided: "That the payment of all interest, and the two per cent sinking fund, due and to become due on the bonds issued by the several railroad companies of the State of Texas, for loans from the special school fund, be and the same is hereby extended until the 1st day of January, 1864, or until six months after the termination of the present war between the Confederate States and the United States of America, should it terminate before the time above named.

"Section 2. That this act shall in nowise impair the prior lien which the State now holds upon any railroad for the payment of the loans and interest now due or to become due by such roads to the State."

#### Bonds Issued to School Fund.

The Tenth Legislature, by an act approved December 16, 1863 (Gammel's Laws, Vol. 5, page 691), provided that the Comptroller should receive treasury warrants and State bonds in payment of the interest and sinking fund due by railroad companies. Sections 1 and 2 of the statute are quoted below:

"Section 1. Be it enacted by the Legislature of the State of Texas, that the Comptroller of the State be, and he is hereby, authorized to receive from the railroad companies in this State, who are indebted to the special school fund,



all interest on their bonds that may now be or hereafter become due; provided, the same is tendered in State bonds or in State treasury warrants, previous to the meeting of the next regular session of the State Legislature.

"Section 2. That for all sums so paid in, the Comptroller and Treasurer shall issue to the special school fund the bonds of the State, bearing six per cent interest.

The foregoing needs no explanation, as it shows that when the railroad companies surrendered the treasury warrants in payment of their obligations to the school fund, that the State Comptroller and Treasurer were required to issue the bonds of the State, bearing six per cent, in favor of the special school fund in lieu of the railroad bonds surrendered by said fund on account of their being taken up with State treasury warrants.

#### To Prevent Discount of Warrants.

Evidently for the purpose of preventing the discount of State warrants and State bonds which were issued in denominations of \$1 to \$100 for convenient use in commerce, the Tenth Legislature at a called session, enacted the following law, approved May 28, 1864 (Gammel's Laws, Vol. 5, page 787):

"Section 1. Be it enacted by the Legislature of the State of Texas, that the provisions of the Act, of which this is amendatory, shall not apply to railroad companies that fail or refuse to receive State bonds or State treasury warrants at par for freight or passage, at the prices or rates established by law.

"Section 2. That whenever satisfactory evidence is produced or furnished to the Comptroller of the State that any railroad company has failed or refused to receive the State bonds or State treasury warrants at par, for freights or passage, at the rates established by law, he is required to refuse to receive the State bonds or treasury warrants for the interest due by said railroad upon its bond.

"Section 3. That the president of any railroad in this State be, and is hereby, required to post in a conspicuous place in the railroad offices, and in the passenger cars, the provisions and terms of this act, under a penalty of one hundred dollars, to be recovered for the benefit of the State, by suit before any court of competent jurisdiction upon the information of any party."

#### Warrants on Specie Basis.

On November 16, 1864, still another act was passed by the Legislature, and is quoted in full in the opinion of Judge Peckham of the United States Supreme Court, which reads as follows (177 U. S. Supreme Court, page 675):

"Be it enacted by the Legislature of the State of Texas, that the railroad companies of this State that are indebted to the special school fund shall continue to be allowed the privilege of paying the interest due said fund in the treasury warrants and bonds and coupons of the State, and may also discharge the whole or any part of the principal of their indebtedness to that fund (in the same manner), provided such railroad companies shall satisfy the Comptroller that the treasury warrants and bonds and coupons of the State are received by them at par with specie for freight and passenger travel.

"That all treasury warrants and bonds and coupons of the State, so received into the State Treasury, shall be canceled; and the Comptroller shall issue the bonds of the State, bearing six per cent interest, to the special school fund for the amount so paid in; and this act take effect from its passage."

Upon the passage of the foregoing acts and in compliance with them, the railroad companies who had borrowed money on their bonds from the special school fund, as heretofore pointed out, tendered warrants in payment of the interest and sinking fund on bonds due to the special school fund. As these payments were made and the debt of the railroad companies due the school fund was retired with them, the Comptroller issued six per cent bonds of the State of Texas in lieu of the obligations held by the special school fund, and paid by the railroad companies in treasury warrants which they had taken in payment for freight and passenger charges at par with specie.

## No Loss to School Fund.

The foregoing enactments of the Texas Legislature show in themselves that the State issued its bonds to the special school fund in lieu of railroad bonds held by it. The question was presented in the suit between the railroad companies and the State of Texas for the payment of the bonds in the amounts above enumerated, as to whether or not the warrants and bonds issued, which the railroads were required to accept on a specie basis in the payment of freight and passenger charges, were in violation of the Constitution of the United States and void. It is not denied that the railroad companies tendered payment and paid the sinking fund and interest required of them as provided by the statutes quoted. Neither is it denied that State bonds in payment to the special school fund, bearing 6 per cent interest, were substituted for the railroad bonds.

## Seeking Adjustment.

A called session of the Twelfth Legislature passed an act, approved August 13, 1870 (Gammel's Laws, Book VI, page 259), which reads as follows:

"Whereas, The political disturbances since the year eighteen hundred and sixty, by unsettling the business of the country, have largely contributed to prevent compliance, on the part of the railroad companies indebted to the State for loans from the special school fund, with their engagements respecting the payment of the principal and interest of said loans; and

"Whereas, It is desired to relieve said companies from the liability of their railroads to sale, consequent upon their non-compliance as aforesaid; therefore

"Be it enacted by the Legislature of the State of Texas, That any railroad company indebted to the State for loans from the special school fund, may avoid the sale of its railroad for the non-payment of principal or interest, by the payment into the Treasury of the State, on the first day of November, A. D. 1870, of six months' interest on the aggregate amount due on account of said loans, principal and interest, as said aggregate amount stood on the first day of May, A. D. 1870, and by the payment, in addition on said first day of November, of 1 per cent upon said aggregate amount, to be applied toward the sinking fund provided for by existing laws in respect to said loans; and by continuing to pay into the Treasury of the State six months' interest, and 1 per cent on account of said sinking fund, semi-annually thereafter, to wit: on the first day of May and November of each year.

"Sec. 2. That if any railroad company shall fail to pay any amount required to be paid in Section 1 of this act, at the time designated thereby, or within ten days thereafter, then the whole debt of such company, principal and interest, shall become due, and the Governor shall proceed, without delay, to cause the railroad of said company and its franchises and property, so far as the lien or mortgage of the State covers the same, to be sold; the sale to be in all respects (when not in conflict with this act), conducted according to the provisions of the statute of August 13, A. D. 1856; provided, however, that in case the Governor should (for any protection of the school fund) deem it necessary, he may buy in any road to be sold under this act, in the name of the State; provided further, that if the whole principal and interest which may have become due as aforesaid, and all costs attending the advertisements and proposed sale, shall be paid before the day of sale, then the proceedings for sale shall be stopped.

"Sec. 3. That the State of Texas will not exact of any railroad company not hereafter in default in respect to any of the payments required in this act, the payment of the principal of the debt of said company, excepting said payments on account of the sinking fund as aforesaid, but that any company may pay the same in full, at any time on thirty days' notice to the Governor, and that said lien or mortgage of the State shall not attach to any extension of its existing road hereafter constructed by any of said companies."

The aggregate amount of loans due on May 1, 1870, from the railroad companies, was the question in controversy between the State and the railroad companies, which was passed upon by the the Supreme Court in the case of "Houston & Texas Central Railroad Company et al. vs. State of Texas" (177 U. S. Supreme Court, page 673). Judge Peckham, in his statement of the case, says:

"It is also alleged that after the passage of the Act of August 13, 1870, and

about the 1st of November, 1870, the Comptroller of the State, with the concurrence and approval of the Governor, wrongfully and without authority of law, recharged each of the railroad companies, respectively, upon the books of the Comptroller's office with the several amounts theretofore paid by them, respectively, in treasury warrants, and there was demanded from the respective companies on the 1st day of November, 1870, six months' interest and one per cent for the sinking fund on the aggregate amount of the loan, as made up by the Comptroller, after striking out the payments made by the company with the treasury warrants."

#### Repudiation of Warrants.

Judge Peckham in his statement of the case, sums up the contentions of the State in the following language:

"To this pleading the plaintiff filed its first supplemental petition, and therein specially set up that the three several acts of the Legislature of the State, mentioned in the defendant's answer as the authority for the payment upon the bonds of the company in treasury warrants, were unconstitutional and void, because (1) the warrants in which payments were authorized to be made were issued for the purpose of being circulated as money and were in violation of the State Constitution; (2) also because they were bills of credit emitted by the State, and therefore in violation of Section 10 of Article 1 of the Constitution of the United States; and (3) because the acts under which the warrants were authorized to be paid, together with other acts passed at or about the same time, plainly indicated that the treasury warrants and other obligations in which payments were authorized to be made, and which were made by the defendant, were issued in aid of the Rebellion against the United States of America and therefore void."

From the foregoing statements it is shown that the contention of the State was based upon the repudiation of the warrants used by the State during the Civil War, which the railroad companies were required to receive on specie basis in payment of services rendered by them. The Republican or Reconstruction administration of 1870 contended that these bonds and warrants were issued during the period when Texas had seceded from the Union and was in a state of rebellion, and that the issuance of the warrants and bonds in the denominations authorized, clearly showed that they were intended to circulate as a medium of exchange, and therefore void and without authority, because of the provision of the Constitution of the United States, which provides that Congress alone shall authorize the coinage of money or the emission of bills of credit.

The contention of the State by its attorney, was that the acceptance of the Treasury warrants in payment of money loaned from the school fund was a violation of the Constitution of the State of Texas, as being an illegal diversion of that fund. Answering this contention, the Supreme Court agreed with the Court of Civil Appeals of Texas in holding that there was no such diversion, because the school fund received State bonds dollar for dollar in exchange for the railroad bonds redeemed by such treasury warrants.

I have gone at length into this matter in order to show the truth, as well as the error made by those who contend that the State lost the money involved in the railroad bonds in question. The truth of the matter is that some of the very bonds now in the State Treasury represent the six per cent bonds issued to the school fund by the State in the redemption of the railroad bonds which gave rise to the litigation between the State and the railroad company.

Respectfully submitted,

O. B. COLQUITT,  
Governor of Texas.

The following message received today was read and ordered printed:

Governor's Office,  
State of Texas.

Austin, October 6, 1914.

To the Senate and House of Representatives:

By virtue of the provisions of Section 40, Article III, of the Constitution of Texas, and in harmony with paragraph 2 of the Governor's proclamation convening the Legislature in extra session, I present to you for your consideration the following additional subject, to-wit:

"The passage of an act to bring about a reduction in the cotton acreage in this State for the year 1915 and to maintain the financial and industrial integrity of the State, and prevent a general demoralization of the cotton market of the State; to curtail the production of cotton in this State for the year 1915 so that a price commensurate with the cost of production may be obtained for the present crop, and to prevent a financial demoralization of our industrial system in this State; prescribing certain duties for the Attorney General and district and county attorneys; and prescribing the jurisdiction of penalty and forfeiture suits hereunder, creating offenses for a violation of the provisions hereof, prescribing penalties therefor, and declaring an emergency."

I have entertained some doubt as to the power of the Legislature to enact valid legislation on this subject. But I have determined to resolve that doubt in favor of the proposition and present the subject to you for your consideration. Hon. B. F. Looney, the Attorney General, advises me that it is his opinion that the Legislature, under the general police powers of the State, can enact a statute on this subject which will be binding, constitutional and effective. He has accordingly, at my request, prepared a bill which in his opinion will stand the test.

The attention of the Legislature is called to the fact that, during the Civil War, a number of Southern and cotton-producing States passed legislation fixing proper penalties for the purpose of limiting cotton production. It may be said that this course was pursued for the purpose of meeting some exigency of war. If this argument is used in opposition to the proposition, a like reply can now be made. While our country is not at war itself, it is suffering some

of the hardships of war now existing between foreign countries, and the legislation herein proposed is to meet such an exigency.

The production of cotton for the present calendar year in the cotton-growing States of the South is very large. The price it is now bringing is not one-half its value, and will not pay the cost of its production. It is contended by many that the only practical and effective way to assure anything like a fair price for the present crop is to enact a law which will curtail the production for the year 1915. Officially and personally I am extremely solicitous of the welfare of our producing population. They have created debts and incurred obligations based upon a fair price for the product of their labor, and I am willing to resolve all doubts in favor of any practical plan which may afford relief to those who are now suffering from shrinkage in the value of their products, said shrinkage being due to two facts: (1) the war in Europe which curtails the demand and destroys the European market for the American cotton growers, and (2) the failure of banks and their lack of confidence and willingness to get under the value of cotton and maintain them by making reasonable advances upon the same, so as to enable farmers to hold their cotton until the present unfortunate situation has passed away. It is also contended that the curtailment of the crop of 1915 is necessary to give vitality to the value of the present crop, because of the doubt existing as to the duration of the military struggle in Europe.

I present the question to you for your patriotic and earnest consideration, with the hope that you will find some safe and effective way of dealing with the question presented in the interest of the producer and for the welfare of the people of the State generally. When men are confronted with emergencies, they often have to yield some of their preconceived and established convictions in order to meet such emergencies in a practical and effective way.

From all over the South I am receiving letters saying that the business men and farmers are looking to Texas to point the way for other States in these matters, and they give assurance of using their influence to the end that their State will follow our lead. If legislation in harmony with the question presented to you herewith is adopted, and the other cotton-growing States do not adopt similar legislation, the Regu-

lar Session of the Thirty-fourth Legislature, which convenes in January, can give further consideration to the subject.

Respectfully submitted,  
O. B. COLQUITT,  
Governor of Texas.

### RECESS.

On motion of Senator Westbrook the Senate, at 12 o'clock noon, recessed until 3 o'clock today.

### AFTER RECESS.

(Tuesday, October 6, 1914.)

The Senate was called to order by Senator Cowell, who was presiding at the time the Senate recessed.

### SIMPLE RESOLUTION.

By Senator Terrell:

Whereas, Article 3, Section 9 of the Constitution reads as follows:

"The Senate shall, at the beginning and close of each session, and at such other times as may be necessary, elect one of its members President Pro Tempore, who shall perform the duties of the Lieutenant Governor in any case of absence or disability of that officer, and whenever the said office of Lieutenant Governor shall be vacant, etc."; and

Whereas, Acting under the Constitution the Senate at the beginning of the Third Called Session, elected Hon. W. C. Morrow of Hill county as President Pro Tempore of the Senate, and

Whereas, On Saturday, October 3rd, in the absence of the presiding officer, Hon. W. C. Morrow, the Senate elected Hon. C. W. Taylor of Bell county, President Pro Tempore, who took the oath prescribed by the Constitution and assumed the gavel as presiding officer of this body, and,

Whereas, The question has been raised as to who the legal presiding officer of this body is at this time, now therefore, be it

Resolved by the Senate, That the question be referred to the Committee on Privileges and Elections, together with the opinion of the Attorney General when received by this body, for its consideration, and that the committee be instructed to report its findings to the Senate at the earliest practicable

moment, the purpose of this action being to establish a precedent to guide future Legislatures.

The resolution was read and adopted.

### MOTION RELATING TO GOVERNOR'S MESSAGE.

I move that the communication from the Governor, with all exhibits thereto, be referred to the Committee on Rules, and that same be not printed in the Journal, until acted upon by the Senate.  
GIBSON.

The above motion was adopted, and by virtue of same none of the proceedings on account of the message appear here by order of the Senate.

### SIMPLE RESOLUTION.

By Senator Collins:

Whereas, The Senator from Angelina, with a book of rules in his hand, is usually out of order, and,

Whereas, It is desirous that he study up on the rules before the next session, and,

Whereas, Some one has filched from the desk of said Senator his Manual, and he cannot find same; therefore, be it

Resolved, By the Senate that the Sergeant-at-Arms be instructed to furnish said Senator with a copy of said manual.

The resolution was read and adopted.

### BILLS AND RESOLUTIONS.

By Senators Cowell and Lattimore:

S. B. No. 6, A bill to be entitled "An Act providing for the appointment by the Supreme Court of six Supreme Court Commissioners to be divided into two divisions; describing their qualifications, defining their powers and duties, fixing their salaries, providing for clerical assistants, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

By Senators Westbrook and Brelford:

S. B. No. 7, A bill to be entitled "An Act to bring about a reduction in the cotton acreage in this State for the year 1915 and to maintain the financial and industrial integrity of the State, and prevent a general demoralization of

the cotton market of the State; to curtail cotton production in this State for the year of 1915 so that a price commensurate with the cost of production may be obtained for the present crop, and to prevent a financial demoralization of our industrial system in this State; prescribing certain duties for the Attorney General and district and county attorneys; and prescribing forfeiture suits hereunder, creating offenses for violations of the provisions hereof; prescribing penalties therefor, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 2.

### ADJOURNMENT.

On motion of Senator Clark, the Senate, at 4:25 o'clock p. m., adjourned until 4:30 o'clock today, October 6, 1914.

### ELEVENTH DAY.

Senate Chamber,  
Austin, Texas,

Tuesday, October 6, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, a quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	Hudspeth. }
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	McGregor.
Clark.	McNealus.
Collins. }	Nugent.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Henderson.	

Absent.

Real.

Absent—Excused.

Astin.

Warren.

Morrow.

Prayer by Rev. A. R. Watson.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Westbrook.

### EXCUSED.

On account of important business:  
Senator Harley, for today, on motion of Senator Hudspeth.  
(Senator Lattimore in the chair.)

### PETITIONS AND MEMORIALS.

Senator Nugent presented resolutions from the San Antonio Chapter, Daughters of the Republic of Texas, signed by the president, secretary and numerous members, protesting against the passage of the proposed Bank bill.

Senator Bailey of Harris presented a memorial from citizens of Harris county, in mass meeting at Houston, protesting against the Bank bill.

Senator Gibson presented a petition from citizens of Lamar county reporting a mass meeting at Paris in opposition to the Bank bill.

### ADJOURNMENT.

On motion of Senator Townsend, the Senate at 4:55 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

### APPENDIX.

### COMMITTEE REPORT.

Committee Room,  
Austin, Texas, October 6, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Judiciary Committee No. 1, to whom was referred

S. B. No. 5, A bill to be entitled "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank shall

have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring authority on State banking corporations which become members of a Federal reserve bank to conform to the Federal law, etc."

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass, with attached amendments:

Amend Section 8, line 3, of the bill, by inserting between "firm" and "or permit," the words "directly or indirectly."

Amend the bill by inserting in Section 8, page 8, line 5, between the words "business paper" and "actually owned" "by a bank which is a member of a Federal reserve bank."

Amend the bill as follows: by adding at the end of Section 10 the following: "(f) Provided, further, that upon a permit obtained in writing from the Commissioner of Banking any bank may borrow a sum not in excess of its unimpaired surplus in addition to its capital stock."

MORROW, Chairman.

#### TWELFTH DAY.

Senate Chamber,  
Austin, Texas,

Wednesday, October 7, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Westbrook.
Henderson.	Wiley.
Hudspeth.	Willacy.

Absent—Excused.

Harley.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Johnson.

#### EXCUSED.

On account of important business:

Senator Harley, for today, on motion of Senator Bailey of DeWitt.

Senator Warren, for non-attendance for the first day of this session, and for Monday and Tuesday of this week, and for such other time he has not been excused, on motion of Senator Willacy.

Senator Real, for non-attendance for Monday and yesterday, on motion of Senator Cowell.

Morning call concluded.

#### SIMPLE RESOLUTION RELATING TO AMENDING SENATE RULES.

The Chair announced that a simple resolution, by Senator Conner, introduced Monday and consideration of same postponed until the conclusion of the morning call the following day, was the pending business, since today was the first day that the proceedings of the Senate had passed the "morning call."

Pending discussion, Senator McGregor, Chairman, presented a report from the Committee on Privileges and Elections, on a resolution referred to that committee, relating to the President Pro Tem. of the Senate. (See Appendix for the report, as presented.)

#### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Hudspeth:

Whereas, The Hon. M. M. Brooks, formerly a distinguished member of the Court of Criminal Appeals, is now in the gallery; therefore, be it

Resolved, That he be invited to address the Senate and the courtesies of the floor be extended him.

MCNEALUS.  
HUDSPETH.

The resolution was read and adopted, and Mr. Brooks was escorted to the President's stand, presented to the Senate, and addressed the Senate briefly. (Senator Terrell in the chair.)

**SIMPLE RESOLUTION — RELATING TO AMENDING SENATE RULES.**

Action recurred on the simple resolution as the pending business.

Pending discussion by Senator Westbrook, who contended that the resolution was not pending business, Senator Cowell made the point of order that Senator Westbrook was not speaking to the merits of the resolution, but was speaking to the merits of S. C. R. No. 2, which he (Westbrook). contended was the regular order.

The Chair sustained the point of order.

Pending further discussion, Senator Watson moved that the resolution be laid on the table subject to call.

The reading of the resolution was called for, and the same was read. (See Journal of Monday, October 5, for resolution in full.)

The motion to lay the resolution on the table subject to call was adopted by the following vote:

**Yeas—14.**

Astin.	McNealus.
Brelsford.	Morrow.
Carter.	Nugent.
Darwin.	Terrell.
Gibson.	Warren.
Hall.	Watson.
McGregor.	Willacy.

**Nays—12.**

Bailey of Harris.	Hudspeth.
Clark.	Johnson.
Conner.	Taylor.
Cowell.	Townsend.
Greer.	Westbrook.
Henderson.	Willacy.

**Present—Not Voting.**

Bailey of DeWitt. Collins.

**Absent.**

Lattimore. Real.

**Absent—Excused.**

Harley.

**SENATE BILL NO. 1.**

The Chair laid before the Senate, as regular order, S. C. R. No. 2, and

Senator Bailey of DeWitt moved to suspend the regular order of business and that the Senate take up, out of its order, S. B. No. 1.

Senator Westbrook moved to table the motion to suspend the regular order of

business, and the motion to table was lost.

Action recurred on the motion to suspend the regular order of business and take up Senate bill No. 1, and the same was adopted by the following vote:

**Yeas—24.**

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Clark.	Nugent.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Hall.	Wiley.
Henderson.	Willacy.

**Nays—4.**

Collins.	Taylor.
Greer.	Westbrook.

**Absent.**

Lattimore. Real.

**Absent—Excused.**

Harley.

The Chair laid before the Senate, on second reading,

S. B. No. 1, A bill to be entitled "An Act to establish 'The Bank of Texas,' and defining the purpose and method of its organization, its rights, privileges, duties and liabilities; the object and purpose of the act being to provide a fiscal agency for the State, its counties, municipal corporations and all districts heretofore or hereafter created, with the power to levy and collect taxes and issue bonds or to expend the public funds, to the end that the fiscal officers of the State and its various governmental agencies may administer their affairs on a sound financial basis, maintain all warrants at par, etc."

There being an adverse majority committee report and a favorable minority committee report,

Senator Hudspeth moved to substitute the minority committee (favorable) report for the majority (adverse) committee report, which motion was adopted by the following vote:

**Yeas—17.**

Brelsford.	Conner.
Carter.	Gibson.
Collins.	Greer.



Hall.  
Henderson.  
Hudspeth.  
Johnson.  
McNealus.  
Real.

Taylor.  
Warren.  
Watson.  
Westbrook.  
Willacy.

Nays—8.

Astin.  
Clark.  
Darwin.  
Lattimore.

McGregor.  
Nugent.  
Townsend.  
Wiley.

Present—Not Voting.

Bailey of DeWitt. Cowell.  
Morrow.

Absent.

Bailey of Harris.

PAIRED.

Senator Terrell (present), who would vote "nay," with Senator Harley (absent), who would vote "yea."

#### REASON FOR VOTE.

I vote "yea" in order to carry out the terms of the agreement made by myself and others who oppose the bill with the proponents of the bill, that the minority report would be substituted for the majority report to enable friends of the bill to offer amendments on the floor of the Senate.

#### HALL.

The bill having been read, Senator Clark offered the following amendment:

Amend the bill by adding after the word "act" in line 5 on page 19 a new subdivision to be designated as "j" and reading as follows:

"That the Bank of Texas loan direct to the farmers on cotton and other products of the farm and on land, money at 4 per cent interest annually."

Senator Hall offered the following amendment to the amendment:

Amend the amendment by adding thereto the following: "And in case the farmers have no collateral to offer as security the State shall furnish such farmers with such collateral as shall be satisfactory to the officers of said bank."

The amendment to the amendment was read and Senator Collins made the point of order that the State can not lend its credit to individuals.

The Chair, Senator Terrell, sustained the point of order.

Senator Westbrook offered the following amendment to the amendment:

Amend the amendment by inserting 6 per cent interest in lieu of 4 per cent

interest, and by adding the following: "Provided, that any bank which may be a member of The Bank of Texas that charges more than 6 per cent interest per annum on any loan shall forfeit both the principal and interest of said loan."

Pending discussion Senator Westbrook moved the previous question on the amendment and the amendment to the amendment, which motion was seconded.

Senator Brelsford moved that the Senate recess until 2:30 o'clock today which motion was lost by the following vote:

Yeas—14.

Brelsford.  
Carter.  
Collins.  
Conner.  
Greer.  
Henderson.  
Hudspeth.

McNealus.  
Real.  
Taylor.  
Terrell.  
Warren.  
Watson.  
Willacy.

Nays—15.

Astin.  
Bailey of DeWitt.  
Bailey of Harris.  
Clark.  
Cowell.  
Darwin.  
Hall.  
Johnson.

Lattimore.  
McGregor.  
Morrow.  
Nugent.  
Townsend.  
Westbrook.  
Wiley.

Absent.

Gibson.

Absent—Excused.

Harley.

The previous question on the pending amendments having been seconded was ordered.

Action recurred on the amendment to the amendment, and the same was adopted by the following vote:

Yeas—16.

Astin.  
Bailey of DeWitt.  
Bailey of Harris.  
Clark.  
Cowell.  
Darwin.  
Hall.  
Johnson.

Lattimore.  
McGregor.  
McNealus.  
Nugent.  
Taylor.  
Townsend.  
Westbrook.  
Wiley.

Nays—11.

Brelsford.  
Carter.  
Collins.  
Conner.  
Greer.  
Henderson.

Hudspeth.  
Real.  
Terrell.  
Warren.  
Watson.

Present—Not Voting.

Morrow.

Absent—Excused.

Harley.

PAIRED.

Senator Willacy (present), who would vote "nay," with Senator Gibson (absent), who would vote "yea."

Senator Lattimore moved to reconsider the vote by which the amendment to the amendment was adopted, and lay that motion on the table.

The motion to table was adopted.

Action recurred on the amendment, as amended, and the same was adopted by the following vote:

Yeas—16.

Astin.	McGregor.
Bailey of DeWitt.	McNealus.
Bailey of Harris.	Morrow.
Clark.	Nugent.
Cowell.	Taylor.
Darwin.	Townsend.
Hall.	Westbrook.
Lattimore.	Wiley.

Yeas—11.

Brelsford.	Johnson.
Collins.	Real.
Conner.	Terrell.
Greer.	Warren.
Henderson.	Watson.
Hudspeth.	

Present—Not Voting.

Carter.

Absent—Excused.

Harley.

PAIRED.

Senator Willacy (present), who would vote "nay," with Senator Gibson (absent), who would vote "yea."

RECESS.

Here Senator Brelsford, at 12:20 o'clock p. m., moved that the Senate recess until 2:30 o'clock today, which motion was adopted by the following vote:

Yeas—15.

Brelsford.	McNealus.
Carter.	Real.
Collins.	Taylor.
Conner.	Terrell.
Greer.	Warren.
Henderson.	Watson.
Hudspeth.	Willacy.
Johnson.	

Nays—14.

Astin.

Bailey of DeWitt.

Bailey of Harris.	McGregor.
Clark.	Morrow.
Cowell.	Nugent.
Darwin.	Townsend.
Hall.	Westbrook.
Lattimore.	Wiley.

Absent.

Gibson.

Absent—Excused.

Harley.

AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by Senator Terrell, who was presiding at the time the Senate recessed.

SENATE BILL NO. 1.

(Pending Business.)

Action recurred on the pending business, S. B. No. 1, The Bank of Texas bill.

Senator Lattimore moved to reconsider the vote by which the amendment by Senator Westbrook, as amended, was adopted and table that motion.

The motion to table was adopted by the following vote:

Yeas—14.

Astin.	McGregor.
Bailey of Harris.	Morrow.
Clark.	Nugent.
Cowell.	Terrell.
Gibson.	Townsend.
Hall.	Westbrook.
Lattimore.	Wiley.

Nays—12.

Brelsford.	Hudspeth.
Carter.	Johnson.
Collins.	McNealus.
Conner.	Warren.
Greer.	Watson.
Henderson.	Willacy.

Absent.

Real.

PAIRED.

Senator Bailey of DeWitt (present), who would vote "yea," with Senator Harley (absent), who would vote "nay."

Senator Darwin (present), who would vote "yea," with Senator Taylor (absent), who would vote "nay."

Senator Collins offered the following amendment:

Amend the bill by adding after Section 36, a section to be known as Section 36-a, as follows:

"Section 36a. The organization committee herein provided for shall have no authority to, nor shall it proceed in any manner to organize The Bank of Texas under the provisions of this act, nor shall such bank be organized until and unless a majority of the votes cast on such question at an election held for that purpose shall be in favor of such organization, and no election shall be held for such purpose until there shall have been presented to the Governor of this State a petition signed by not less than 25,000 qualified voters of this State requesting that such an election be held. Upon the presentation of such petition to him, the Governor shall issue his proclamation giving notice of such election to be held not less than thirty days nor more than one hundred and twenty days after the date of such proclamation. At such an election only qualified electors for members of the Legislature shall be permitted to vote, and those favoring such organization shall have written or printed on their ballot the words 'For the organization of The Bank of Texas' and those opposing the same shall have written or printed on their ballots the words 'Against the organization of The Bank of Texas.' Such election shall be held in all things as require by the general election laws of this State for general elections.

"A condensed but intelligible statement as to the contents of the law shall be duly published once a week for four weeks, commencing at least one month before such election, in one weekly newspaper of each county in the State, if there be a weekly newspaper published in said county. Said election shall be held by the duly selected election officers at their respective voting places throughout the State in the same manner and under the same rules of law controlling the holding of general elections. And the returns thereof shall be made as provided for in the General Election Law for the election of State officers. On the fortieth day after the election, the day of the election excluded, and not before, the Secretary of State, in the presence of the Governor and Attorney General, or in case of vacancy in either of said offices, or of inability or failure of either of said officers to act, then in the presence of either one of them, shall open and count the returns of the election. When the returns have been counted, the Governor shall issue proc-

lamation, declaring the result of the election, and cause a copy thereof to be delivered to the members of the Organization Committee, provided for in this act.

"Five thousand dollars, or so much thereof as may be necessary, is hereby appropriated out of any funds of the Treasury not otherwise appropriated, for the purpose of making the publications herein provided for, and paying the expenses of any election order hereunder.

"If, at any election held hereunder, a majority of the votes cast at such election shall be in favor of the organization of The Bank of Texas, then no other election shall be held hereunder until after the expiration of five years from the day upon which such election was held, and if at any election held hereunder, a majority of the votes cast shall be against the organization of The Bank of Texas, then no other election shall be held hereunder until after the expiration of one year from the date upon which such election was held."

WESTBROOK.

COLLINS.

Senator Cowell offered the following amendment to the amendment:

Amend the amendment by substituting for the number "25,000" where it appears before the word "qualified" the following: "Twenty per cent of the qualified voters of Texas as shown by the last vote for Governor at the last preceding general election."

#### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Gibson:

Resolved, That when the Senate adjourns on Friday for lunch, that it stands adjourned until Saturday morning at 10 o'clock, for the purpose of giving the ladies of Austin, to whom the use of the Senate Chamber has been tendered for their reception to be given on Friday evening, an opportunity to prepare the Chamber for said reception. The resolution was read and is pending.

#### ADJOURNMENT.

On motion of Senator Willacy the Senate, at 6 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

## APPENDIX.

## COMMITTEE REPORT.

Committee Room,  
Austin, Texas, October 6, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: We, your Committee on Privileges and Elections, to whom was referred simple resolution by the Senator from McLennan with reference to the question as to whether or not the election of Honorable C. W. Taylor of Bell county President Ad Interim of this Senate thereby vacated the office of President Pro Tempore of this Senate, to which the Honorable W. C. Morrow was elected at the beginning of the Third Called Session of the Thirty-third Legislature, and as to what is now the status respectively of the said W. C. Morrow and the said C. W. Taylor, I am instructed by the said committee to report to the Senate as follows:

It is the sense of this committee that said C. W. Taylor having been elected only as President Ad Interim, his election having at the time been intended by the Senate to extend only to the time covered by the absence of said W. C. Morrow, and only until the return of the said W. C. Morrow to the Senate.

That the election of the said C. W. Taylor as President Ad Interim aforesaid in no manner affects the rights and powers of the said W. C. Morrow; that the rights and powers of the said C. W. Taylor automatically ceases upon the return of the said W. C. Morrow to his place in said office; and that immediately upon the return of the said W. C. Morrow to the Senate as aforesaid, he was clothed with all the rights and powers of said office; and the said W. C. Morrow ever since his return as aforesaid has been, and is now, the lawful President Pro Tempore of this Senate in the full enjoyment of all the rights and powers and dignities of said position. See Exhibit "A" attached and made a part of this report.

And we respectfully recommend that these views and conclusions be adopted by the Senate with reference to said matter.

McGREGOR, Chairman.

Exhibit "A."

This report is based upon the following facts and authorities:

The State Constitution, Article 3, Section 9, provides that the Senate, at the beginning and end of each session, and at such other times as may be necessary, shall elect one of its members President Pro Tempore, who shall perform the duties of Lieutenant Governor in case of absence or disability.

At the beginning of the present called session, W. C. Morrow, a member of the Senate, was duly elected President Pro Tempore, qualified by taking the constitutional oath, and in pursuance of his duties presided over the Senate.

On the third of October, the President Pro Tempore being absent under excuse, the Senate elected Hon. C. W. Taylor, a member of the Senate, President Pro Tempore Ad Interim to occupy the chair until the return of the regularly elected President Pro Tempore.

The Constitution provides for the manner of removing constitutional officers, such as the President Pro Tempore of the Senate, which is by impeachment or proceedings in court, and nothing in the law or the Constitution makes the temporary absence of the constitutional officer an abandonment of his office or creates a vacancy in the office. On the contrary, Section 5 of the Senate Rules, Manual Section 1700, expressly contemplates that the President Pro Tempore may be absent without an abandonment of his office, and provides the manner of selecting his substitute during his temporary absence; and expressly provides that the substitute shall preside over the Senate "until the President Pro Tempore returns and takes the gavel." The substitute provided for by the rule mentioned is denominated the President Pro Tempore Ad Interim. The President Pro Tempore Ad Interim is not a constitutional office, but is only an office created by the Senate, the function of which is to preside in the Senate during the absence of the regularly elected President Pro Tempore. The definition of an officer ad interim is one appointed or elected to preside during the interval the regular officer is absent, and such is the definition of it in effect in the Senate rule.

It is contemplated by the Constitution that there shall be a President Pro Tempore and that the office shall not be vacant, but no necessity arises to elect a new President Pro Tempore, and no authority exists to do so until a vacancy occurs.

It being clearly contemplated by the rules of the Senate that the temporary absence of the President Pro Tempore

does not vacate his office, and it being clearly not the intention of the Senate on the occasion of the election of Senator Taylor as President Pro Tempore Ad Interim to treat the office of President Pro Tempore as vacant, the fact that the Senate elected Senator Taylor to the office of President Pro Tempore Ad Interim could not have, and was not intended to have, any effect upon the tenure or authority of the elected President Pro Tempore.

McGREGOR.

### THIRTEENTH DAY.

Senate Chamber,

Austin, Texas,

Thursday, October 8, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	Morrow.
Clark.	Nugent.
Collins.	Real.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Henderson.	

Absent—Excused.

McNealus.

Taylor.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Cowell.

### EXCUSED.

On account of sickness:

Senator McNealus, for today and indefinitely, on motion of Senator Collins.

On account of important business:

Senator Taylor, to today and balance of this week, on motion of Senator Real.

### SIMPLE RESOLUTION.

By Senator Wiley:

Whereas, The Thirty-fourth Legisla-

ture is expected to be a very important and busy Legislature, dealing with many subjects of vital importance to the citizenship of our State, which will render it necessary and advisable that many committee meetings and public hearings be had; therefore, be it

Resolved by the Senate, That the Superintendent of Public Buildings and Grounds be requested to clear and set in order all committee rooms that have heretofore been set apart for the use of the Senate, and that this resolution be complied with on or before the second Tuesday in January, 1915.

The resolution was read and Senator McGregor offered the following amendment:

Amend the resolution by adding: "Provided, this shall not apply to any room now held or occupied by the Daughters of the Republic or the Daughters of the Confederacy."

The amendment was adopted, and the resolution, as amended, was adopted.

Morning call concluded.

### SENATE BILL NO. 5.

(Pending Business.)

Action recurred on Senate bill No. 1, the Bank of Texas bill, consent was given, on request of Senator Bailey of DeWitt, to take up, in lieu thereof, Senate bill No. 5.

The Chair laid before the Senate, on second reading,

S. B. No. 5, A bill to be entitled "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks, etc."

The committee report, with (committee) amendments, was adopted.

The bill having been read second time was ordered engrossed.

On motion of Senator Bailey of DeWitt, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—27.

Astin.	Clark.
Bailey of DeWitt.	Collins.
Bailey of Harris.	Conner.
Brelsford.	Cowell.
Carter.	Darwin.

Gibson.	Real.
Greer.	Terrell.
Hall.	Townsend.
Henderson.	Warren.
Johnson.	Watson.
Lattimore.	Westbrook.
McGregor.	Wiley.
Morrow.	Willacy.
Nugent.	

Absent.

Harley.	Hudspeth.
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Absent—Excused.

McNealus.	Taylor.
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The bill was read third time and passed by the following vote:

Yeas—28.

Astin.	Henderson.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	Morrow.
Clark.	Nugent.
Collins.	Real.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.

Absent.

Hudspeth.

Absent—Excused.

McNealus.	Taylor.
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Senator Bailey of DeWitt moved to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion to table prevailed.

Here Senator Gibson requested unanimous consent to take up a simple resolution, introduced on yesterday, relating to adjourning at noon on tomorrow in order to give the ladies of Austin, who are to hold a reception in the Senate Chamber tomorrow evening, an opportunity to place the Chamber in order for the reception.

There was objection to taking up the resolution.

## SENATE BILL NO. 1.

(Pending Business.)

Action here recurred on the pending business, Senate bill No. 1, the Bank of Texas bill.

The question on the bill was the pending amendment and amendment to same, and,

Senator Lattimore offered the following substitute for the pending amendments:

Amend the bill by adding after Section 36, a new section to be known as Section 36a, to read as follows:

"Upon presentation to the Governor of Texas of a petition therefor, signed by such number of the qualified voters of this State as shall be not less than twenty per cent of the total number of votes cast for all the candidates for Governor at the next preceding general election, it shall be and become the duty of the Governor to order an election according to law to determine whether or not the provisions and sections hereof shall become the law of this State, at which election those of such qualified voters who favor such law shall have written or printed on their ballots the words 'For the law creating The Bank of Texas,' and those of such voters who oppose such law shall have written or printed on their ballots the words, 'Against the law creating The Bank of Texas.' Upon presentation of such petition the Governor shall issue his proclamation ordering and giving notice of such election and fixing the date thereof at some time, not less than 30 days and not more than 120 days after the date of such proclamation.

"Such election shall be held in all things as required by the general election laws of this State.

"On the fortieth day after said election, and not before, the Secretary of State of the State of Texas, shall open and count the returns of said election.

"If a majority of the votes cast at said election shall be in favor of said law, the said Secretary of State shall so declare and certify to the Governor. If a majority of the votes so cast, shall be against the said law, the said Secretary shall so declare and certify to the Governor, and it shall be the duty of the Governor upon receipt of such certificate to issue his proclamation declaring the result of said election, and if a majority of such votes be in favor of such law, it shall thereafter be and become the law of the land, but if a majority of such votes be against the said law, it shall not become the law of the land.

"If, as herein provided, said law should become the law of this State, a certified copy of the proclamation last aforesaid, shall be delivered by the Secretary of State to the organization committee pro-

vided in said law, who shall thereupon proceed straightway to carry out the provisions of said act according to the provisions thereof.

"Five thousand dollars, or so much thereof as may be necessary, is hereby appropriated out of the general revenue fund of this State to pay the expenses of said election."

### HOUSE MESSAGE.

Hall of the House of Representatives,  
Austin, Texas, October 8, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: I am directed by the House to inform the Senate that the House has adopted the following resolution:

H. C. R. No. 2, Sine die adjournment  
at 12 o'clock, Saturday, October 10,  
1914.

Respectfully,  
W. R. LONG,

Chief Clerk, House of Representatives.

### HOUSE CONCURRENT RESOLUTION NO. 2.

Senator Townsend called up, from the President's stand, and the Chair laid before the Senate,

H. C. R. No. 2, Providing for sine die adjournment of this, the Third Called Session of the Thirty-third Legislature, on Saturday, October 10, 1914.

Senator Townsend moved that the resolution be adopted, and

Senator Watson moved, as a substitute, that the resolution lie on the table subject to call.

Senator Lattimore moved the previous question on both motions, which, being duly seconded, was so ordered.

Action recurred on the substitute motion, that the resolution lie on the table subject to call, and the same was adopted by the following vote:

Yeas—15.

Bailey of DeWitt.	Harley.
Bailey of Harris.	Henderson.
Brelsford.	Hudspeth.
Carter.	Johnson.
Collins.	Watson.
Conner.	Westbrook.
Gibson.	Willacy.
Greer.	

Nays—14.

Astin.	Morrow.
Clark.	Nugent.
Cowell.	Real.
Darwin.	Terrell.
Hall.	Townsend.
Lattimore.	Warren.
McGregor.	Wiley.

Absent—Excused.

McNealus. Taylor.

### RECESS.

On motion of Senator McGregor, the Senate, at 12:10 o'clock p. m., recessed until 2:30 o'clock p. m. today.

### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Morrow.

### SENATE BILL NO. 1.

(Pending Business.)

Action recurred on the pending business, S. B. No. 1, the question being on the substitute for the amendment to the amendment and the amendment.

Pending discussion of the above amendments, Senators Harley and Johnson were called to the chair and presided.

### RECESS.

Senator Hudspeth, at 5:50 o'clock p. m., moved that the Senate recess until 8 o'clock tonight, which motion was adopted.

### AFTER RECESS.

(Night Session.)

The Senate was called to order by President Pro Tem. Morrow.

### SENATE BILL NO. 1.

(Pending Business.)

Action recurred on the pending business, S. B. No. 1, the Bank bill, the

question being on the substitute for the pending amendments.

#### SENATE BILL NO. 4.

Senator Carter moved to suspend the pending order of business, S. B. No. 1, and that the Senate take up, out of its order, S. B. No. 4.

Senator Lattimore, moved, as a substitute, that the pending business be suspended, and that the Senate take up, out of its order, H. C. R. No. 2.

Action recurred on the substitute motion first, and the same was lost by the following vote:

Yeas—16.

Astin.	McGregor.
Bailey of DeWitt.	Nugent.
Bailey of Harris.	Real.
Clark.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Henderson.	Watson.
Lattimore.	Willacy.

Nays—11.

Brelsford.	Harley.
Carter.	Hudspeth.
Collins.	Johnson.
Conner.	Westbrook.
Gibson.	Willacy.
Greer.	

Present—Not Voting.

Morrow.

Absent.

Hall.

Absent—Excused.

McNealus.

Taylor.

Here Senator McGregor made the point of order that H. C. R. No. 2 was a privileged matter, since the resolution was on the table subject to call.

Pending discussion, the Chair held that it required a two-thirds vote to adopt the substitute motion.

Action recurred on the motion to suspend the pending business, and take up S. B. No. 4, and the motion was lost by the following vote (a two-thirds vote being necessary):

Yeas—13.

Bailey of Harris.	Gibson.
Brelsford.	Greer.
Carter.	Harley.
Collins.	Henderson.
Conner.	Hudspeth.

Johnson.  
Westbrook.

Willacy.  
Nays—15.

Astin.	Nugent.
Bailey of DeWitt.	Real.
Clark.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Lattimore.	Watson.
McGregor.	Wiley.
Morrow.	

Absent.

Hall.

Absent—Excused.

McNealus.

Taylor.

#### HOUSE CONCURRENT RESOLUTION NO. 2.

Senator Terrell called up, from the President's stand, as a privileged matter and which was on the table subject, to call, H. C. R. No. 2.

The Chair laid before the Senate, H. C. R. No. 2, Providing for sine die adjournment of the Third Called Session of the Thirty-third Legislature on Saturday, October 10, at 12 o'clock.

Senator McGregor moved the previous question on the resolution, the same being duly seconded, was so ordered by the following vote:

Yeas—14.

Astin.	Morrow.
Bailey of Harris.	Nugent.
Clark.	Real.
Darwin.	Terrell.
Henderson.	Townsend.
Lattimore.	Warren.
McGregor.	Wiley.

Nays—13.

Bailey of DeWitt.	Harley.
Brelsford.	Hudspeth.
Carter.	Johnson.
Collins.	Watson.
Conner.	Westbrook.
Gibson.	Willacy.
Greer.	

Absent.

Hall.

Absent—Excused.

Taylor.

PAIRED.

Senator Cowell (present), who would vote "yea," with Senator McNealus (absent), who would vote "nay."

Action recurred on the resolution, and



Senator Hudspeth moved that further consideration of same be postponed until 10 o'clock tomorrow morning.

The point of order was made that the previous question having been ordered the motion was out of order.

### ADJOURNMENT.

Senator Watson here moved that the Senate adjourn until 10 o'clock tomorrow morning, which motion was adopted by the following vote:

#### Yeas—14.

Bailey of DeWitt.	Greer.
Bailey of Harris.	Harley.
Brelsford.	Hudspeth.
Carter.	Johnson.
Collins.	Watson.
Conner.	Westbrook.
Gibson.	Willacy.

#### Nays—13.

Astin.	Nugent.
Clark.	Real.
Darwin.	Terrell.
Henderson.	Townsend.
Lattimore.	Warren.
McGregor.	Wiley.
Morrow.	

#### Absent.

Hall.

Absent—Excused.

Taylor.

#### PAIRED.

Senator Cowell (present), who would vote "nay," with Senator McNealus (absent), who would vote "yea."

### APPENDIX.

#### COMMITTEE REPORTS.

Committee Room,

Austin, Texas, October 8, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Committee on Engrossed Bills have carefully compared Senate bill No. 5, and find same correctly engrossed.  
BRELSFORD, Chairman.

(Majority Report.)

Committee Room,

Austin, Texas, October 7, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Committee on Judiciary No. 2, to whom was referred

S. B. No. 7, A bill to be entitled "An Act to bring about a reduction in the cotton acreage in this State for the year of 1915, and to maintain the financial and industrial integrity of the State, and prevent a general demoralization of the cotton market of the State; to curtail cotton production in this State for the year of 1915 so that a price commensurate with the cost of production may be obtained for the present crop, and to prevent a financial demoralization of our industrial system in this State; prescribing certain duties for the Attorney General and district and county attorneys; and prescribing the jurisdiction of penalties and forfeiture suits hereunder, creating offenses for violations of the provisions hereof, prescribing penalties therefor, and declaring an emergency;"

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass.

CONNER, Chairman.

(Minority Report.)

Committee Room,

Austin, Texas, October 7, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: A minority of your Committee on Judiciary No. 2, to whom was referred

S. B. No. 7, A bill to be entitled "An Act to bring about a reduction in the cotton acreage in this State for the year 1915 and to maintain the financial and industrial integrity of the State, and prevent a general demoralization of the cotton market of the State; to curtail cotton production in this State for the year of 1915 so that a price commensurate with the cost of production may be obtained for the present crop, and to prevent a financial demoralization of our industrial system in this State; prescribing certain duties for the Attorney General and district and county attorneys; and prescribing the jurisdiction of penalty and forfeiture suits hereunder, creating offenses for violation of the provisions hereof, prescribing penalties therefor, and declaring an emergency;"

Have had the same under consideration and beg leave to report the same back to the Senate with the recommendation that it do not pass.

NUGENT.

CLARK.

TOWNSEND.

## FOURTEENTH DAY.

Senate Chamber,  
Austin, Texas,

Friday, October 9, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McGregor.
Carter.	McNealus.
Clark.	Morrow.
Collins.	Nugent.
Conner.	Real.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Hall.	Westbrook.
Harley.	Wiley.
Henderson.	Willacy.

Absent—Excused.

Taylor.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Terrell.

## PETITIONS AND MEMORIALS.

Senator Greer presented a letter from Hon. M. G. Sanders, of Canton, Van Zandt county, Texas, opposing Bank bill, and favoring the adjournment of the Legislature.

Senator Morrow presented telegrams from Italy and Waxahachie and a petition from Blum favoring legislation on reduction of cotton acreage; also a petition addressed to Governor Colquitt from Bardwell favoring reduction in cotton acreage.

Morning call concluded.

## MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, October 9, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House failed

to engross H. B. No. 1, "The Texas Bank bill," by the following vote: Yeas 35, nays 81.

Respectfully,  
W. R. LONG,

Chief Clerk, House of Representatives.

HOUSE CONCURRENT RESOLUTION  
NO. 2.

Action here recurred on the pending business, H. C. R. No. 2, pending from yesterday under the previous question, the resolution being the sine die adjournment of this called session.

By unanimous consent, Senator Brelsford was permitted to make a statement.

Pending discussion, unanimous consent was asked to have the resolution to lie on the table subject to call, under the previous question, but there was objection, and

Pending further discussion,

Senator Watson moved to reconsider the vote by which the previous question was ordered on the resolution.

Senator Lattimore made the point of order that a motion to reconsider a vote by which the previous question was ordered was out of order.

Senator McGregor moved that the Senate recess until 12 o'clock noon, today, which motion was lost by the following vote:

Yeas—13.

Bailey of DeWitt.	McGregor.
Conner.	Morrow.
Cowell.	Nugent.
Darwin.	Terrell.
Gibson.	Watson.
Hall.	Wiley.
Lattimore.	

Nays—16.

Bailey of Harris.	Hudspeth.
Brelsford.	Johnson.
Carter.	McNealus.
Clark.	Real.
Collins.	Townsend.
Greer.	Warren.
Harley.	Westbrook.
Henderson.	Willacy.

Absent.

Astin.

Absent—Excused.

Taylor.

Senator Watson then moved to suspend the pending business and take up

S. B. No. 7, but the Chair held the motion out of order on account of operating under the previous question on H. C. R. No. 2.

Senator Watson then moved to rescind the vote by which the Senate ordered the previous question on H. C. R. No. 2.

Senator Terrell made the point of order that the motion was out of order, on account of the previous question having been ordered, and the only question in order was a motion to adjourn or recess.

Senator Watson made the point of order that the last adjournment did away with the previous question.

By unanimous consent the resolution went to the table subject to call.

#### SENATE CONCURRENT RESOLUTION NO. 2.

S. C. R. No. 2, being the pending business, and the Chair so announced, and

Senator Watson moved that the pending business (S. C. R. No. 2) be suspended, and the Senate take up, out of its order, S. B. No. 7, and

Senator Carter moved, as a substitute, that the pending business (S. C. R. No. 2) be suspended, and the Senate take up, out of its order, S. B. No. 4.

Action recurred on the substitute motion first, and the same was lost by the following vote:

Yeas—10.

Carter.	Henderson.
Clark.	Hudspeth.
Darwin.	Real.
Gibson.	Townsend.
Harley.	Willacy.

Nays—15.

Brelsford.	Morrow.
Collins.	Nugent.
Conner.	Terrell.
Cowell.	Warren.
Hall.	Watson.
Lattimore.	Westbrook.
McGregor.	Wiley.
McNealus.	

Absent.

Bailey of DeWitt. Johnson.  
Bailey of Harris.

Absent—Excused.

Taylor.

PAIRED.

Senator Greer (present), who would

vote "yea," with Senator Astin (absent), who would vote "nay."

Action recurred on the motion to suspend the pending business and take up S. B. No. 4, and the same was lost by the following vote (a two-thirds vote being necessary):

Yeas—15.

Bailey of Harris.	Morrow.
Brelsford.	Nugent.
Conner.	Real.
Cowell.	Townsend.
Gibson.	Warren.
Hall.	Watson.
Lattimore.	Wiley.
McGregor.	

Nays—11.

Carter.	Hudspeth.
Clark.	McNealus.
Collins.	Terrell.
Greer.	Westbrook.
Harley.	Willacy.
Henderson.	

Absent.

Astin. Darwin.  
Bailey of DeWitt. Johnson.

Absent—Excused.

Taylor.

The Chair laid before the Senate, as pending business,

S. C. R. No. 2, A resolution urging the national banks of Texas to make immediate provisions for the issuance of additional emergency currency for the purpose of handling the cotton situation in this State.

The resolution was read, and Senator Westbrook moved that the committee report, with (committee) amendments, be adopted, and upon that motion moved the previous question, which motion was duly seconded.

The motion for the previous question was lost by the following vote:

Yeas—9.

Carter.	Johnson.
Clark.	McNealus.
Collins.	Townsend.
Harley.	Westbrook.
Henderson.	

Nays—18.

Bailey of Harris.	Greer.
Brelsford.	Hall.
Conner.	Terrell.
Cowell.	Hudspeth.
Darwin.	Lattimore.
Gibson.	Morrow.

Nugent.                Watson.  
Real.                 Wiley.  
Warren.              Willacy.  
  
Present—Not Voting.

Bailey of DeWitt.

Absent.

Astin.                McGregor.

Absent—Excused.

Taylor.

Action recurred on the committee report with (committee) amendments.

#### SIMPLE RESOLUTION.

By Senator McGregor:

Be it resolved by the Senate of the State of Texas, That we believe with President Wilson, as such belief was expressed by him in his speech of acceptance, that "the means and methods by which trusts have established monopolies have now become known. It will be necessary to supplement the present law with such laws, both civil and criminal, as will effectually punish and prevent those methods."

And as further expressed in his message to Congress on the trust question as follows:

"Surely we are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible, at any rate up to the limits of what experience has disclosed. These practices, being now abundantly disclosed, can be explicitly and item by item forbidden by statute in such terms as will practically eliminate uncertainty in the law itself and the penalty being made equally plain."

We, therefore, heartily endorse the course of the Hon. James A. Reed, United States Senator from the State of Missouri, in his strong and persistent endeavors to have criminal penalties affixed to violations of those provisions of what is known as the Clayton Anti-Trust bill just passed by Congress, which forbid price discriminations, exclusive or tying contracts, interlocking directorates and holding companies, and his endeavors to have the bill so amended as to unquestionably fulfill Democratic platform pledges, and to penalize the use of the means and meth-

ods by which trusts establish monopolies and oppress the people.

Signed—Darwin, Harley, Brelsford, Watson, Clark, Warren, Greer, Collins, Gibson, Westbrook, Johnson, Conner, Henderson, Lattimore, Willacy, Hall, Bailey of DeWitt, Bailey of Harris, Townsend, Wiley, Carter, Nugent, Hudspeth, McGregor, McNealus and Cowell.  
The resolution was read and adopted.

#### RECESS.

On motion of Senator Bailey of Harris, the Senate, at 12:25 o'clock p. m., recessed until 3 o'clock today.

#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Morrow.

#### HOUSE CONCURRENT RESOLUTION NO. 2.

S. C. R. No. 2, being pending business, Senator Terrell called up from the President's table,

H. C. R. No. 2, Providing for sine die adjournment for this the Third Called Session of the Thirty-third Legislature.

Here a messenger from the Governor's office appeared at the bar of the Senate and delivered a message from the Governor, which went to the President's table.

(Senator Warren in the chair.)

Action recurred on H. C. R. No. 2, the Senate acting under the previous question, and Senator Hudspeth moved to rescind the vote by which the previous question was ordered.

Here unanimous consent to permit an amendment to be offered was asked, but there was objection.

Senator Terrell made the point of order that on account of the previous question having been ordered on H. C. R. No. 2 that a motion to rescind was out of order.

After consideration of the point of order, the Chair (Senator Warren) stated that he found nothing in the Rules in point, but found a precedent in elementary parliamentary practice, and submitted the matter to the Senate on a direct vote.

Question—Shall the point of order be sustained?

The Senate overruled the point of order by the following vote:

Yeas—11.

Bailey of Harris.	Nugent.
Cowell.	Real.
Darwin.	Terrell.
Johnson.	Townsend.
Lattimore.	Wiley.
McGregor.	

Nays—14.

Brelsford.	Henderson.
Carter.	Hudspeth.
Collins.	McNealus.
Conner.	Morrow.
Gibson.	Watson.
Greer.	Westbrook.
Harley.	Willacy.

Present—Not Voting.

Bailey of DeWitt. Warren.  
Hall.

Absent.

Astin. Clark.

Absent—Excused.

Taylor.

The motion to rescind the vote by which the previous question was ordered was adopted.

Senator McNealus offered the following amendment:

Amend the resolution by substituting the date Wednesday, October 14, 1914, at 12 m., noon, for the original date of Saturday, October 10, 1914, at 12 m., noon.

On motion of Senator McNealus, the resolution and amendment was laid on the table subject to call.

#### MESSAGE FROM THE GOVERNOR.

Here the Chair laid before the Senate the following message from the Governor, received this afternoon:

Austin, Texas, October 9, 1914.

To the Senate and House of Representatives:

I am constrained to address you once more upon a very important question, one of the most important and serious that has confronted the people of our State within my recollection, to wit: The declining prices of cotton, and the deplorable condition in which this situation

will leave the producing classes of our commonwealth.

A few days ago I presented to you for your consideration and solution the subject of providing for a reduction of the cotton acreage and production for the year, 1915. Since the presentation of this subject to you, my mail has been flooded by petitions and private letters from farmers and merchants about this course. In presenting the question to your consideration, I invited your attention to the opinion of our Attorney General as to the power of the Legislature to enact and provide for the enforcement of such a law, under the general police powers of the State. The bill which the Attorney General prepared, I did not have time to read, on account of my early departure from the Capitol in order that I might pay filial respect to one who is very dear to me on an occasion of great importance in his life. I stated in my message to the Legislature that I had entertained grave doubts myself as to the authority of the Legislature to pass such a bill as the Attorney General had advised me could be passed by the Legislature and enforced in the exercise of the State's general police powers. Such measures had been passed by the cotton growing States during the Civil War for the purpose of discouraging the planting of cotton and increasing the acreage to be planted in food stuffs for the support and sustenance of the armies of the South. At that time, as now, the markets of Europe were practically blockaded and shut off from the Southern States.

Believing the situation more serious with the cotton planter than some are willing to believe, I was willing to submit the question to your consideration, and in all seriousness I think it should have your best attention before the Legislature adjourns. The Constitution of this State authorizes the Governor upon extraordinary occasions to convene the Legislature in special session to consider questions for the public good. Believing that we are now confronted with one of the most extraordinary conditions ever witnessed, I have twice convened you to give consideration to the subjects presented, all of them practically embracing propositions for the relief of those who produce our wealth. In presenting these questions, I have had no thought of self, as some seem to think and charge, but am honestly desirous of accomplishing something for present re-

lief and of substantial value to our people in the future.

I now come to you in a final appeal, and ask the Legislature to cast aside partisanship for the moment, and give serious consideration to the question presented, for the reduction of the cotton production for next year. We are assured by the bankers and business men that if something is done along this line, that the money locked up in vaults now being hoarded by banking corporations as well as individuals, as is charged by the Secretary of the Treasury, will come out of hiding places and be invested or advanced on cotton. Where there is a will to do, a way can be found to do it, and I beseech the Legislature before it adjourns to find a way to meet this situation.

I do not recommend, in fact I am opposed to, making any violation of the law providing for its object an enforced reduction of the cotton acreage for 1915, a felony. It seems to me that fixing sufficient misdemeanor penalties would be far enough to go along this line. But I would like to see the Legislature pass a bill limiting the acreage to be planted in cotton for next year, if in the wisdom of the legislative body this course should be pursued, in harmony with Section 19 of Article 8 of our Constitution. This section provides that farm products in the hands of the producer can not be taxed except by a two-thirds vote of both branches of the Legislature. It seems to me that this might be the most practical way to reach the situation.

Any bill on these lines could provide that any tax collected from such source could be covered into the State Treasury to create a fund which could be kept on hand for future use in emergencies to aid the cotton farmer either in promoting agriculture or, if the funds should be sufficient, to be used to aid them in sustaining prices. If the funds thus gathered together should become large enough, they could be used to materially aid in the future in maintaining prices through advances to farmers who are compelled to sell cotton under distressed conditions, thus utilizing such a statute for the mutual benefit of those engaged in cotton raising, not only for the present, but in the future.

I appeal at this moment of your deliberations to the patriotism of the members of the Legislature, and beg you to forget any personal ambitions or personal animosities you may think I entertain, and get together if possible in

the enactment of some measure which will afford the relief through the means herein discussed. If in the wisdom of the Legislature an act limiting the acreage for 1915 should be passed at all, doubts on the subject should be resolved in favor of the proposition. Fifty-two per cent of the farmers of Texas are tenants. In the past many of them, as a condition of their tenantry, have been required to plant and cultivate cotton. Bankers and merchants have also required this as basis for credit. Unless there is some legislation to prevent this requirement, we may expect in the future what we know to have been true in the past along this line.

I am taking the liberty to attach to this message a letter received by me from the president of a large life insurance company in New York, a Southerner by birth and raising. He offers some suggestions that may be of help, and I am offering them to you for what they may be worth, without presumption or saying whether they meet with my approval or not. He calls attention to the fact that the balance of the country is looking to you, the Legislature of Texas, for leadership in solving the difficult problems now confronting the cotton farmers of the South.

Respectfully submitted,

O. B. COLQUITT,  
Governor of Texas.

The following is the letter referred to in the accompanying message with name of writer omitted:

New York, N. Y., October 6, 1914.

Gov. O. B. Colquitt, Austin, Texas.

My Dear Governor: I am a Southerner by birth and spent the first twenty-nine years of my life in the little town of Hawkinsville, Ga. I feel keenly any condition that affects the welfare of the cotton States, and lately I have been giving considerable thought to the conditions that exist down there.

You are at the head of the government of the largest and most important of the cotton States. It is my opinion that the balance of the South is looking to Texas to find a way out of the conditions which now threaten. I had noticed in the press the intense interest you feel in finding a proper solution, and for these reasons I am presuming to write this letter to you. And I would have you know that I am not seeking any publicity, either for myself or for my company. My only motive is the hope

that there may be a thought or two in this letter that in some way will aid you, as the leader of the South, in solving the responsibilities now upon you.

It is one of the most impressive and insistent lessons of this European war that we must cultivate agricultural and industrial independence. We are caught depending upon Europe for so many things that our economic and industrial life are brought face to face with a species of paralysis that is costly and in some respects humiliating.

The disorganization of the cotton market is one of the most serious and earliest effects. This condition will be cumulative, unless remedies are speedily devised and put into effect.

Perplexing situations have arisen in many lines of business. Some lines have been suspended—more will be—and yet the conditions are such that if the proper remedies are applied, the calamity which threatens may be converted into opportunities for progress and development.

But it is my opinion that the Southern farmers, bankers and merchants, must solve their own problems. Waiting upon outside assistance will only cause conditions to grow worse instead of better. It is up to the Southern farmer to help himself to safeguard this year's cotton crop, as well as to devise plans for his protection in the future. The most needed thing in the South at this time, it seems to me, is a compact and workable organization composed of the cotton growers, business men and bankers.

The Southern farmer is at once the most independent and the most dependent of any man in all the world of his intelligence. Independent, because he practically has a monopoly of the production of one of the world's greatest products. Dependent, because of his system of marketing this product. Under the present system, whenever there is a disturbance in any part of the world, it bears most severely upon the cotton grower. The questions of limiting the production, warehousing and insurance, could be worked out better if the farmers were thoroughly organized: and we must all admit that limiting the production next year will be absolutely necessary.

Before the declaration of war in Europe, good middling cotton was quoted at nearly 14 cents per pound. When it developed that through the closing of foreign markets from four to five million bales of this year's crop would re-

main a surplus, the price of cotton dropped fully fifty per cent. Because of the surplus the Southern farmer is threatened with a loss of three hundred and fifty million dollars, and unless safeguards are speedily devised, it is my opinion that cotton may go lower still.

Now, how can the farmer help himself? If it was a certain surplus of cotton that caused the decline in the price, it naturally follows that the removal of this surplus will cause a rise in the price. Then let the farmer create a permanent organization with a capitalization of one hundred and fifty million dollars to be provided and subscribed by the farmer, the merchant and the banker, in each and every cotton county in the eleven cotton States, pro rata, according to the production in 1913; this subscription to be paid in cotton of this year's crop, at ten cents per pound, and, at the same time, have the subscriber sign a binding obligation limiting his production next year. This would immediately retire from the market, for the time being three million bales of cotton. The retirement of this amount of cotton would cause the price to advance and secure for the farmer more, in dollars and cents, than the entire crop would bring if this surplus is not taken care in some way. But if the removal of the three million bales did not of itself force cotton up beyond ten cents per pound, the organization could pledge its three million bales and use the proceeds for the purchase of probably as many more, if necessary, competing in the open market with the mills and buyers of raw cotton, which would, beyond doubt, carry the price beyond ten cents per pound.

How will this affect the individual farmer? Well, say a farmer raises ten (10) bales of cotton. Under the present conditions he could not hope to secure more than seven (7) cents per pound; \$35 per bale—\$350 for his ten bales. By taking two (2) bales of his ten (10) and putting them into the organization above suggested, the remaining eight (8) bales would bring at least ten cents per pound—\$80 per bale—\$400; and, in addition, he would have his certificate of ownership in the organization, worth \$100, and at the same time will have created an organization for his protection for all time to come.

The charter of this organization should provide that its funds can be invested

only in cotton and cotton products, and, when not being used in that way, to be deposited back in the banks in the counties that made the subscriptions; the banks, of course, safely securing these deposits and paying an interest of 3 per cent per annum therefor. By doing this, no community would be depleted of any of its resources, the proportion of each and every county's subscriptions, not invested in cotton, being left in the banks of those counties to be loaned back to the people that subscribed it.

This organization should have a central governing board, with representation from each of the cotton States. This governing board should meet every year, in the latter part of July, and take into consideration the cotton acreage, the condition of the crop, and the condition of the markets, together with the cost of production, and name a minimum price at which it would agree to buy and take over all cotton offered, and at the same time name a maximum price at which it would dispose of all cotton acquired by it.

To illustrate: If all the conditions should justify the price of ten cents per pound to the farmer, then ten cents would be named as the minimum price, and, say, twelve cents named as maximum price. This would force the consumers of raw cotton in the markets at slightly above ten cents, for the mills and buyers would know if they did not go in the open markets and buy cotton at slightly above ten cents, they would later on have to pay the organization twelve cents per pound for it.

This governing board could meet from time to time as was necessary prior to the planting of crops, as well as before and during the harvest season. In this way the South would then name the price of its product, influence the amount of production, and the very fact of a tremendous organization, with assets of one hundred and fifty million of dollars available to take over and acquire cotton at the minimum price for which buyers would have to pay the maximum price, would cause it never to have to buy very many bales except in abnormal times such as exist at the present. In addition to this, it would do away with violent fluctuations in price and accomplish what the growers have been planning for a long time—the elimination of pure speculation upon the cotton exchanges in this country. Fluctuations would be held between the minimum and

maximum prices fixed by the governing board.

This organization should not be the usual corporation with shares of stock that could be transferred to anybody: rather it should be in the nature of an association with the qualification of its membership stipulated in the charter to prevent the possibility of an adverse interest getting control or dominating in any way its affairs. The charter should also provide against any man, or circle of men, being able to manipulate or name the governing board, whereby selfish interest could work it for profit. In fact, the control of this organization should be semi-governmental in character; operated, not for profit, but to safeguard the chief commodity of a great empire and a world product. The dividends of this organization should be restricted to not exceed five per cent, and after a surplus amounting to twenty per cent of the capitalization has been accumulated, any earnings over and above five per cent should revert to the treasuries of the different counties, according to their subscriptions to its capitalization, to be used in constructing good roads. The problems of warehousing, insurance, influencing the acreage, and marketing, can all be worked out in harmony with this plan.

The farmers and the merchants and the bankers of the South could very well afford to subscribe the necessary capitalization. It certainly would be better to subscribe sufficient cotton at ten cents to provide a fund of \$150,000,000, for the creation of an organization for permanent protection, rather than suffer a loss of \$350,000,000 because of this surplus cotton. In addition, it would largely do away with the speculative features in the growing of cotton, by the farmer, the merchant and the banker, and would place the chief product of the Southern States on a stable and conservative basis. It would also be a protection for the manufacturer in the purchase of raw material, and enable him to more safely make his calculations. In fact, in discussing this plan with one of the prominent mill men of Massachusetts, he stated to me that the one weak link in the chain was that no provision had been made for the mill men to contribute to the capitalization, along with the cotton grower, with representation upon the governing board. I do not recommend this; however, the mills must necessarily receive fair and



just consideration at all times by the governing board.

The "buy-a-bale-of-cotton" movement, as a display of sympathy to fix the price of cotton at ten cents, has brought about a temporary psychological benefit and should continue, but, as a solution, it lacks efficacy. Able leadership and the same aggressive publicity that has been given to the "buy-a-bale-of-cotton" movement would readily accomplish the needed organization, and this would be a solution, now, and for all time. A stiffening of the cotton market would result immediately, as soon as determined agitation for such an organization was under way.

The cotton problem is a big proposition, which is constantly confronting the people in the South. This suggestion of a solution is merely an outline of a general plan. There would be a hundred or more questions to be considered and solved in working it out, and I am not attempting to cover the details of the perfected organization.

While this plan appears to be stupendous, and it is, still it is not greater than the object sought to be accomplished. In fact, any plan that does not cover the entire eleven cotton States, with their cotton products, is not worthy of consideration. There are those who will say "it can't be done."

"It can't be done" is the ancient lie that makes a fence around so many of us and keeps us small.

"It can and will be done" is the truth that will make the South free, and make firm and sound the foundation upon which rests the industrial and social progress of the great Southland.

If the Governors of the eleven cotton States should come together and unanimously endorse such a plan, they could call a meeting of business men, lawyers, and farmers, to appoint committees to work out the details. The Farmers' Union, together with the Southern Cotton Growers' Association and the bankers of each of the counties could very well undertake the gathering in of the necessary subscriptions. This is a service that all could well afford to undertake. The press of the South could be depended upon to give the necessary publicity.

While plans for permanent relief are being worked out, and until the cotton markets are readjusted and the price offered approximates its real value, it seems to me it would be the part of wisdom for all concerned to agree for the

farmers, in lieu of accepting ridiculously low prices, to store the cotton in warehouses and deliver over to their creditors the cotton receipts in sufficient amount to protect their indebtedness, under and with the agreement that the cotton is to be held until it can be converted at least ten cents per pound. This course would enable the merchant and the interior banks to properly secure an extension of their obligations with the Eastern and Northern jobber, manufacturer, and bank. And this will be necessary in many cases, in order for the merchant and interior banks to carry the farmers.

Concerted action is necessary throughout the eleven cotton States. Co-operation among all for the common good means a successful solution. A leader is necessary to put through any great enterprise.

Yours very truly,

(Signed) THOS. E. LOVEJOY.

Pending the reading of the above message, on reaching the "exhibit" Senator Bailey of DeWitt moved that the further reading be dispensed with and that the entire message be printed in the Journal.

The motion was adopted.

#### SENATE CONCURRENT RESOLUTION NO. 2.

Action here recurred on the pending business, S. C. R. No. 2, the question being on the committee report with (committee) amendments, and the same was adopted.

Senator Westbrook offered the following amendment:

Amend the resolution by striking out "\$56,000,000" and insert in lieu thereof "\$100,000,000."

Senator Henderson offered the following substitute for the amendment and resolution:

"Resolved, By the Senate of the State of Texas, the House concurring, That we hereby endorse and commend the patriotic action of the Secretary of the Treasury, Mr. McAdoo, in his efforts to require the national banks of this State, as well as of other States, to desist from the hoarding of their reserve and insisting that they put the same in circulation, and that a copy of this resolution be wired by the Secretary of the Senate, to Secretary McAdoo."

Senator Westbrook offered the following amendment to the substitute:

Amend the substitute by adding the following: "Provided further, that the Secretary of the Senate be required to send a copy of this resolution to the offending national banks, of this State."

Senator Henderson moved to table the amendment, which motion to table was adopted by the following vote:

Yeas—21.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Carter.	Morrow.
Cowell.	Nugent.
Darwin.	Real.
Gibson.	Terrell.
Hall.	Warren.
Harley.	Watson.
Henderson.	Wiley.
Hudspeth.	Willacy.
Johnson.	

Nays—6.

Collins.	McNealus.
Conner.	Townsend.
Greer.	Westbrook.

Present—Not Voting.

Brelsford.

Absent.

Astin.

Clark.

Absent—Excused.

Taylor.

The substitute for the resolution was adopted and the resolution, as substituted, was adopted.

#### SIMPLE RESOLUTION.

By Senator Brelsford:

Whereas, The wisdom and patriotism of the bankers and business men of St. Louis and of our State has evolved a plan by means of which provision is made to retire from forced sale five million bales of the cotton crop of the South, and thereby to protect the real value of the South's great staple; and

Whereas, It is proposed by the St. Louis syndicate of banks to furnish one hundred million dollars of this sum, requiring only that the South supply one-third of the total; and

Whereas, The bankers and business men of Dallas and Houston and the other reserve cities of Texas have indicated their readiness to supply their part

of said sum apportioned to them; therefore, be it

Resolved by the Senate of Texas, That the commendation and thanks of this body be extended to the syndicate of St. Louis bankers, merchants, manufacturers and business men headed by Mr. Festus J. Wade and to the patriotic and loyal bankers, merchants, manufacturers and business men of Texas who have made possible this great and far-reaching plan, the accomplishment of which promises so much to relieve the temporary embarrassment to the cotton market of Texas and of the South.

Signed—McGregor, Real, Greer, Hudspeth, McNealus, Harley, Bailey of Harris, Watson, Conner, Lattimore, Johnson, Terrell, Hall, Brelsford, Westbrook, Warren, Collins, Darwin, Townsend, Carter, Bailey of DeWitt, Willacy, Morrow, Henderson, Cowell, Gibson, Nugent.

The resolution was read and adopted.

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, October 9, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

S. B. No. 5, A bill to be entitled, "An Act further regulating banks and bank and trust companies incorporated under the laws of Texas by granting authority to all such corporations to become members of Federal reserve banks; defining demand deposits and time deposits within the meaning of the act; prescribing the amount of reserve for all such banking corporations chartered under the laws of Texas which do not become members of a Federal reserve bank, and stating where such reserve shall be kept and maintained; defining the amount of reserve to be maintained by all banking corporations chartered under the laws of Texas which become members of a Federal reserve bank, and stating how and in what manner and where such reserve shall be maintained; prescribing that State banks becoming members of a Federal reserve bank shall have all rights permitted them under the Federal Reserve Act as to reserve deposits with State banks and trust companies; conferring

authorities on State banking corporations which become members of a Federal reserve bank to conform to the Federal law as now or hereafter enacted and all rules and regulations promulgated relative thereto by lawful authority, and providing that such banks shall be subject to all limitations of law and such rules and regulations as are now or may be hereafter enacted or promulgated; defining the kind and character of money which may be held as reserve by banking corporations incorporated under the laws of Texas which become members of a Federal reserve bank; prescribing that State banks becoming members of a Federal reserve bank shall be required to conform to the provisions of law imposed upon national banks, respecting limitations of liability and prohibitions against making purchases or loans on stock of such banks and, to withdrawal or impairment of capital, the payment of unearned dividends and to such rules as may be prescribed by the Federal reserve board in pursuance of the Federal Reserve Act; setting forth the terms and conditions under which State banks may pledge or hypothecate collateral security for money borrowed upon bills payable, certificates of deposit or otherwise; conferring authority upon State banks which become members of a Federal reserve bank to discount to such Federal reserve bank notes, drafts, and bills of exchange arising out of actual commercial transactions, and defining the term of such discount; prescribing that the lien and rights obtained by a Federal reserve bank upon the discount of such paper shall be a first and preference lien; prescribing certain rules and regulations with reference to State banks which are declared insolvent and a receiver or other liquidating agency appointed; prescribing certain duties and conferring certain rights upon the Commissioner of Insurance and Banking with reference to banking corporations chartered under the laws of this State; prescribing the amount of indebtedness which may be created by a banking corporation chartered under the laws of this State, and declaring an emergency," with amendment.

Respectfully,

W. R. LONG,  
Chief Clerk, House of Representatives.

#### PETITIONS.

The Chair, Senator Warren, had read

to the Senate telegrams from R. S. Allday, Atlanta, Texas, and Jack Nash, Kaufman, Texas, relating to the cotton situation, etc.

#### SENATE BILL NO. 5—HOUSE AMENDMENTS CONCURRED IN.

Senator Bailey of DeWitt called up Senate bill No. 5, the bill amending the State bank law, and moved that the Senate concur in the following House amendment:

Amend the bill by adding thereto a new section following Section 10, to be known as Section 10a, as follows:

"Sec. 10a. Provided further, however, that State banks may, with the permission and under the direction and control of the Commissioner of Insurance and Banking, borrow or make discounts individually or collectively, or enter into any agreement or association for the purpose of obtaining funds to finance the movement of agricultural and farm products only; and when so doing, paper endorsed by them for such purpose shall not be considered as within the limitations prescribed in this act as to the amount of indebtedness which a State bank may incur."

The motion to concur in the House amendment was adopted by the following vote:

Yeas—27.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Collins.	Nugent.
Conner.	Real.
Cowell.	Terrell.
Darwin.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Harley.	Westbrook.
Henderson.	Wiley.
Hudspeth.	Willacy.
Johnson.	

Absent.

Astin.	Hall.
Clark.	

Absent—Excused.

Taylor.

Senator Bailey of DeWitt moved to reconsider the vote by which the amendment was concurred in and lay that motion on the table.

The motion to table prevailed.

Senator Hudspeth here moved that the Senate stand at ease subject to call.

At 5 o'clock p. m. the Senate was called to order by President Pro Tem. Morrow.

# MESSAGE FROM THE GOVERNOR.

The following message from the Governor was here received:

Governor's Office,  
Austin, Texas, October 9, 1914.

To the Senate:

I ask the advice and consent of the Senate to the appointment of the following persons to be notaries public:

Bexar County—T. G. Jackson, Elizabeth Humphries, Phil C. Howard, Mrs. Bennie B. Stine.

Cameron County—R. E. Green.

Coleman County—W. R. Stockard.

Jefferson County—Alfred DuPerier.

Travis County—Walter Rice Allen, Grover L. Pickrell.

Trinity County—D. W. Cupps.

Victoria County—A. H. Day.

Panola County—M. C. Rushing.

Dallas County—J. W. Timmins.

Navarro County—John C. Calhoun.

Harris County—David K. Page, V. A. Cooke.

Fort Bend County—Mrs. Mable Ellis.

Lubbock County—O. D. Hargis.

Wilbarger County—Hugh Stevenson, Joseph Schmidt.

Deaf Smith County—J. Frank Potts.

Lipscomb County—A. Bissantz.

Foard County—R. P. Brindley.

Wichita County—J. R. Ogle, C. A. Winfrey, H. L. Hunter, M. F. Yeager, E. J. Cowan, P. E. Ashworth.

Harris County—John Speed Elliott, Harry D. Lea, Henry C. Robinson, Jr., Lila Vickers, L. H. Joyner, M. B. Joyner, V. A. Cooke, Maurice Hirsch, W. Humphreys.

Waller County—Allen B. Hannay.

Hardeman County—E. D. Fiero.

Collingsworth County—A. E. Brady.

Presidio County—G. W. Smith.

Webb County—Ray L. Hanslip.

El Paso County—J. B. Paden, J. C. Tandy, E. B. Gunning, W. W. Barbee, J. W. Harley.

Jeff Davis County—Lester S. Smith, J. R. Hill.

Tom Green County—W. W. Dover.

Menard County—Frank Hartgraves, Joe P. Flack.

Dallas County—Moina Campbell, Emil G. Attlee, Chas. C. Triplett, J. S. Farrington, John C. Jester, John T. Spann, A. E. Janelli, H. J. Angus, W. S. Blair,

N. F. Good, John S. Lee, A. H. Harris, Ed. W. Lasater, Miss Helen Finklea.

Bexar County—A. Hood, Miss Mary E. Fish, T. G. Jackson, Miss Elizabeth Humphries, Emil A. Goering, Ralph S. Jackson, Alwine Zoller, Alfred Vander Stucken.

Houston County—C. E. Hayes.

Angelina County—A. L. Burke, W. H. Bonner.

Anderson County—N. B. Morris, Jr., Guy T. Robinson.

Trinity County—S. J. Dotson.

Hill County—C. A. Mayfield, Mark Abernathy, P. R. Robertson.

Ellis County—J. A. Reynolds.

Johnson County—E. G. Chiles.

Henderson County—F. T. Pirtle, Martin Eastwood, Earl Jones.

Bexar County—Miss Mary E. Fish, T. G. Jackson, Miss Elizabeth Humphries, Orville G. Frantz, Emil A. Goering.

Tarrant County—Frank Morris, H. R. Jones, Lola Solomon, M. Davis, F. J. Wren.

Wise County—T. L. Davis, Glenn Russell.

Denton County—A. Hayes, B. W. Boyd.

Cameron County—L. F. Shelton.

Jefferson County—Alfred du Perier, T. L. Foster, C. A. Wilson, Miss Ada B. Smith.

Orange County—P. B. Curry.

San Augustine County—M. T. Davis.

Grayson County—Mae-fair Rice, Carol Porter, V. H. Adamson, F. B. Williford, J. D. Buster.

Limestone County—C. C. Hinson, J. T. Cess.

Bell County—Roger Reed.

Travis County—Mrs. N. D. King.

Coleman County—W. H. Williams.

Brown County—S. E. Lacy.

Hunt County—Richard Porter.

Bastrop County—A. M. Felts.

Hall County—F. A. Hugins.

Wichita County—John P. Marrs.

Dallas County—Moina Campbell, Emil G. Attlee, Chas. C. Triplett, J. S. Farrington, John T. Spann, A. E. Janelli, H. J. Angus, W. S. Blair, John S. Lee, A. H. Harris, Helen Finklea, H. H. Cobb, Edmund G. Armstrong, E. M. Belcher, Geo. K. Holland, B. G. Eades, W. F. Shipp, H. H. Manner, J. T. Hightower, L. Diamond, E. S. Owens, Miss Rubye E. Powell, E. B. Williams, N. F. Good, J. E. Batty, T. O. Shelton, R. A. Gossett, Ed. W. Lasater, C. W. Lewelling, John C. Jester.

Palo Pinto County—A. D. Lidia.

Nolan County—J. S. Grisham.  
 Eastland County—E. A. Hill.  
 Mitchell County—Juanita Shropshire.  
 Terry County—J. F. Winston.  
 Eastland County—J. O. Sue.  
 Angelina County—L. E. Baird.  
 Kaufman County—Tom B. Adams.  
 Navarro County—Norborne T. Cham-  
 pion, Miss Annie Laurie Collier, L. G.  
 Highnote.

Fannin County—G. F. Tapp, S. Mc-  
 Glasson, G. W. McCleary.

Lamar County—S. M. Holt, Mrs.  
 Nora West.

Nueces County—W. C. Wright, C. H.  
 Naylor.

Galveston County—Clifford Forshey,  
 Ida A. De Quay, R. L. Pillow, Jr.

Wharton County—Royce E. Owens,  
 Geo. W. Walker.

Hill County—Enrique Smith, Joe J.  
 Ince.

Marion County—E. Callison.

Morris County—D. L. Little.

Bexar County—Mrs. Elizabeth  
 Humphries.

Comanche County—Edgar Madons,  
 Miss Ivah Hampton.

Erath County—Oscar Williams.

Coke County—T. R. Butler.

Harrison County—Robt. C. Bibb,  
 Miss Lillie Caldwell, Clara W. Jackson.

Shelby County—W. H. Brittian,  
 Patroon.

Panola County—C. S. Knight, R. T.  
 Ash.

Travis County—Virginia Daugherty,  
 R. L. Wirtz.

Burnet County—T. A. Chamberlain.

Williamson County—J. A. Wacker.

Bastrop County—A. M. Felts.

Lee County—Herman Marburger.

Hunt County—R. F. Spearman, J. T.  
 Casey, J. F. Hales, Robert Hulsey, V.

G. Runion, Sid Arnold, D. H. Ross.

Grayson County—J. D. Buster.

Tarrant County—W. E. Oates, Lena  
 Oswald.

Delta County—A. J. Neece.

Red River County—R. J. King.

Falls County—G. W. Glass, R. A.  
 Reed.

Freestone County—W. M. Sims, C. A.  
 Wherry.

Hays County—Mrs. L. Dovman.

Johnson County—E. G. Chiles.

Ellis County—J. A. Reynolds.

Hill County—P. R. Robertson.

Galveston County—H. C. Hughes,  
 Harry Tom King.

Respectfully submitted,

O. B. COLQUITT,  
 Governor of Texas.

The above message was read and Sen-  
 ator Bailey of DeWitt moved that the  
 Senate proceed at once to executive  
 session for the purpose of considering  
 the appointment of the above notaries  
 public.

The motion was unanimously adopted.

## IN EXECUTIVE SESSION.

In executive session all of the above  
 named were confirmed as appointees as  
 notaries public for the counties named,  
 such action being reported to the Jour-  
 nal Clerk by the Secretary of the  
 Senate.

## IN THE SENATE.

(Senator Warren in the chair.)

## SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Watson:

Be it resolved by the Senate, That  
 S. B. No. 7 be made a special order  
 for Friday, October 9, 1914, at 5:45  
 p. m., and that the Senate continue the  
 consideration of said bill until it is  
 finally disposed of, and that it shall re-  
 quire four-fifths of all the members  
 elected to the Senate to change, alter,  
 rescind, or reconsider this resolution.

Signed—Watson, Gibson, Willacy,  
 Cowell, Henderson, Nugent, Warren,  
 Bailey, Wiley, Hall, McGregor.

The resolution was read and adopted  
 by the following vote:

Yeas—13.

Cowell.	Real.
Gibson.	Terrell.
Hall.	Warren.
Henderson.	Watson.
McGregor.	Wiley.
Morrow.	Willacy.
Nugent.	

Nays—11.

Bailey of Harris.	Hudspeth.
Carter.	Johnson.
Collins.	McNealus.
Darwin.	Townsend.
Greer.	Westbrook.
Harley.	

Absent.

Astin.	Clark.
Bailey of DeWitt.	Conner.
Brelsford.	Lattimore.

Absent—Excused.

**Taylor.**

The Chair (Senator Warren) announced that the resolution was adopted by a majority vote, and

Senator Collins made the point of order that since the resolution displaced pending business it required a two-thirds vote to adopt same.

The Chair overruled the point of order.

Senator Collins moved to reconsider the vote by which the resolution was adopted, which motion to reconsider was lost by the following vote:

Yeas—12.

Bailey of Harris.	Hudspeth.
Carter.	Johnson.
Collins.	McNealus.
Darwin.	Terrell.
Greer.	Townsend.
Harley.	Westbrook.

Nays—13.

Cowell.	Nugent.
Gibson.	Real.
Hall.	Warren.
Henderson.	Watson.
Lattimore.	Wiley.
McGregor.	Willacy.
Morrow.	

Absent.

Astin.	Clark.
Bailey of DeWitt.	Conner.
Brelsford.	

Absent—Excused.

**Taylor.**

Pending delay, Senator Collins again made the point of order that Rule 63 provided for a majority of all members elected to suspend the order of business, as provided for in the resolution, and that the vote adopting the same was not a majority of all the members elected.

The Chair held that if the point of order had been made at the proper time it would have been sustained, but felt that the point of order came too late.

**ADJOURNMENT.**

At 6 o'clock p. m. Senator Henderson moved that the Senate adjourn until 10 o'clock tomorrow morning, and

Senator McNealus moved, as a substitute, that the Senate adjourn until 10 o'clock Monday morning.

Action recurred on the longest time first, and the substitute motion was lost by the following vote:

Yeas—3.

Conner.	McNealus.
Harley.	

Nays—23.

Bailey of DeWitt.	McGregor.
Bailey of Harris.	Morrow.
Carter.	Nugent.
Collins.	Real.
Cowell.	Terrell.
Darwin.	Townsend.
Greer.	Warren.
Hall.	Watson.
Henderson.	Westbrook.
Hudspeth.	Wiley.
Johnson.	Willacy.
Lattimore.	

Absent.

Astin.	Clark.
Brelsford.	Gibson.

Absent—Excused.

**Taylor.**

The motion to adjourn until 10 o'clock tomorrow morning was then adopted.

**PETITIONS.**

A number of telegrams, in the nature of petitions, were presented asking that the Legislature not adjourn until legislation relating to reduction in cotton acreage was passed on.

**FIFTEENTH DAY.**

Senate Chamber,  
Austin, Texas,

Saturday, October 10, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, a quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	Hall.
Bailey of Harris.	Harley.
Brelsford.	Henderson.
Carter.	Hudspeth.
Conner.	Johnson.
Cowell.	Lattimore.
Darwin.	McGregor.
Gibson.	McNealus.
Greer.	Morrow.

Nugent.  
Real.  
Terrell.  
Townsend.

Watson.  
Westbrook.  
Wiley.  
Willacy.

Absent.

Astin.  
Clark.

Collins.  
Warren.

Absent—Excused.

Taylor.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Johnson.

#### EXCUSED.

On account of important business:

Senator Astin, for today, on motion of Senator Bailey of DeWitt.

Senator Collins, for today and indefinitely, on motion of Senator Westbrook.

Senator Clark, for today, on motion of Senator Carter.

Senator Warren, for today and indefinitely, on motion of Senator McNealus.

#### PETITIONS AND MEMORIALS.

Senator Harley presented a telegram from Seguin from a mass meeting of citizens at that place favoring legislation on cotton acreage.

Senator Lattimore presented a telegram from farmers' mass meeting at Arlington, requesting legislation on cotton acreage reduction.

Senator Conner presented a petition from Stephenville farmers, in mass meeting, favoring Texas Bank Bill.

#### BILL SIGNED.

The Chair (President Pro Tem. Morrow) gave notice of signing, and did sign, in the presence of the Senate, after its caption had been read, the following bill:

S. B. No. 5. A bill providing for an amendment to the State banking law.

#### BILLS AND RESOLUTIONS.

By Senator Townsend:

Senate Concurrent Resolution No. 3:

Be it resolved by the Senate, the House of Representatives concurring, That we heartily endorse as patriotic and wise the administration of our Democratic President, the Hon. Woodrow Wilson, and reaffirm our allegiance to the principles and policies expressed in the National Democratic platform adopted at Baltimore, and commend our Democratic Congress for the adherence thereto, and believing that it is to the interest of the nation at large that the Hon. Woodrow Wilson be re-elected President of the United States, and we hereby endorse him for the Presidency of the United States, and urge him to stand for re-election. Be it further

Resolved, That a copy of this resolution be forwarded to the Hon. Woodrow Wilson, and to each member of Congress from Texas at Washington, D. C.

Signed—Johnson, Gibson, Townsend, Carter, Lattimore, Cowell, Henderson, Nugent, Westbrook.

The resolution was read, and

Senator Watson offered the following substitute for the resolution:

Be it resolved by the Senate, the House of Representatives concurring, That we reaffirm our faith in and pledge anew our devotion to the fundamentals and time-honored principles of Democracy, as secured by the founders and fathers of this Republic, and as reannounced in the last Democratic platform as made at Baltimore, and upon which the Democratic party secured control of the Federal government, and from which has followed manifold blessings to all our people.

We cordially and heartily endorse the National Democratic administration, and congratulate the people of the United States upon the patriotic fidelity with which that administration has kept faith with the people and has passed into living laws promises made by our party in its National platform at Baltimore.

We believe that having so thoroughly and persistently kept the faith that that administration is entitled to and will receive the endorsement, support and assistance of all Democrats, and this we gratefully pledge for the Democrats of Texas.

(Senator Hudspeth in the chair.)

#### HOUSE CONCURRENT RESOLUTION NO. 2.

Pending discussion on the above mat-

ter, and at 11:50 o'clock a. m., actual time,

Senator Real called up, as a privileged matter, and which was on the table subject to call,

H. C. R. No. 2, providing for sine die adjournment of this the Third Called Session of the Thirty-third Legislature at 12 o'clock, October 10, 1914.

Senator McNealus made the point of order that the resolution could not be called up on account of the pending amendment, which was also laid on the table subject to call, and that it has precedence over the resolution, but the Chair overruled the point of order.

Pending further discussion, the point of order was raised that the hands of the Senate clock had been turned back.

The Chair (Senator Hudspeth) stated that he had not authorized anyone to turn the hands of the clock back, and neither had the President Pro Tem. of the Senate, and held that the matter was in the control of the Senate.

Pending several motions relating to the matter,

Senator McNealus made constitutional objection that the resolution in question provided that the Third Called Session of the Legislature adjourn sine die at 12 o'clock today, and since by actual time it was 7 minutes after 12 o'clock that the resolution was out of order.

The Chair (Senator Hudspeth) sustained the objection, holding that in the absence of any order by the Senate to have the hands of the Senate clock turned back that the actual time would control.

#### ADJOURNMENT.

Senator Carter, at 10 minutes after 12 o'clock, moved that the Senate adjourn until 10 o'clock Monday morning.

The motion was adopted by the following vote:

Yeas—19.

Carter.	McGregor.
Conner.	McNealus.
Darwin.	Morrow.
Gibson.	Nugent.
Greer.	Real.
Hall.	Terrell.
Henderson.	Townsend.
Hudspeth.	Watson.
Johnson.	Willacy.
Lattimore.	

Nays—5.

Bailey of Harris. Brelsford.

Cowell.  
Westbrook.

Wiley.

Present—Not Voting.

Bailey of DeWitt.

Absent.

Harley.

Absent—Excused.

Astin.  
Clark.  
Collins.

Taylor.  
Warren.

#### COMMITTEE REPORT.

Committee Room,  
Austin, Texas, October 10, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Committee on Enrolled Bills have carefully examined and compared Senate bill No. 5, and find it correctly enrolled, and have this day, at 10:30 o'clock a. m., presented same to the Governor for his approval.

DARWIN, Acting Chairman.

#### SIXTEENTH DAY.

Senate Chamber,  
Austin, Texas,

Monday, October 12, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, no quorum being present, the following Senators answering to their names:

Bailey of DeWitt.	Hudspeth.
Brelsford.	Johnson.
Carter.	Lattimore.
Conner.	McGregor.
Cowell.	McNealus.
Darwin.	Morrow.
Gibson.	Terrell.
Greer.	Townsend.
Harley.	Watson.
Henderson.	Wiley.

Absent.

Astin.	Nugent.
Bailey of Harris.	Real.
Clark.	Warren.
Collins.	Westbrook.
Hall.	Willacy.

Absent—Excused.

Taylor.



## ADJOURNMENT.

On motion of Senator Bailey of DeWitt, the Senate, at 4:53 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

## SEVENTEENTH DAY.

Senate Chamber,  
Austin, Texas.

Tuesday, October 13, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Morrow.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Conner.	Terrell.
Cowell.	Townsend.
Gibson.	Warren.
Greer.	Watson.
Harley.	Wiley.
Henderson.	Willacy.
Hudspeth.	

Absent.

Darwin. Westbrook.  
Hall.

Absent—Excused.

Clark.	Real.
Collins.	Taylor.
Nugent.	

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Bailey of Harris.

Here the Chair stated that there was a committee of representatives of the farmers from several parts of the State present, and it had been requested by members of the Senate that the said committee be allowed to use one of the committee rooms for the purpose of arranging plan to present their claims to the Senate.

The motion was adopted.

## EXCUSED.

On account of important business:

Senator Nugent, for non-attendance yesterday and indefinitely, on motion of Senator Johnson.

Senator Clark, for non-attendance yes-

terday and indefinitely, on motion of Senator Carter.

Senator Darwin, for today and indefinitely, on motion of Senator Harley.

Senator Bailey of Harris, for non-attendance on yesterday, on motion of Senator Willacy.

## SENATE CONCURRENT RESOLUTION NO. 4.

By Senator McNealus, as a privilege matter:

S. C. R. No. 4, Resolved by the Senate of Texas, the House of Representatives concurring, That the Third Called Session of the Thirty-third Legislature stand adjourned sine die at 12 o'clock, noon, on Friday, October 16, 1914; and, further, that the hands of the Senate clock govern, and be not turned back.

The resolution was read and

Senator McNealus moved that the same be laid on the table subject to call, and the Chair so ordered.

Senator Wiley moved to table the resolution, but pending discussion withdrew the motion.

## INVITATION TO HEAR SPEAKING IN HOUSE.

Here a committee of three members of the House appeared at the bar of the Senate and extended an invitation to the Senate to hear the address of ex-Governor Noel of Mississippi, which was to take place immediately.

## BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senator Warren:

S. B. No. 8, A bill to be entitled "An Act to levy and collect a tax on all cotton raised and gathered during the year 1915, to the extent of 60 per cent of the value of such cotton; providing an exemption equal to 40 per cent of cotton raised and gathered by any producer during the year 1914, providing a penalty in the event same is not paid before January 31, 1916, providing how the value shall be ascertained, providing how same shall be collected, and by whom, and how the information shall be obtained for such assessment and collection; providing compensation for such work of assessing and collecting, providing for reports from the collectors

of taxes to the Comptroller of Public Accounts, and for duplicate receipts for such taxes; providing for the enforcement of collection of such taxes by legal proceedings, providing for monthly reports from the tax collectors to the State Treasurer, providing where moneys collected under this act shall be deposited, and in what fund, providing for the commission of the tax collector for such labor, providing for the payment by the State to any tax collector whose collection of commissions shall be out of proportion to the amount of cotton raised in any county, providing for the return by tax collectors to the Comptroller of Public Accounts of reports showing the production in such county for the year 1914 and the year 1915; providing for the payment of the salaries of the collectors out of the general revenue fund; making an appropriation for the purpose of carrying out the purposes of this act, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

(Senator Carter in the chair.)

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, October 12, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

H. B. No. 4, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling or operating a cotton seed oil mill, and of owning, controlling or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill, from owning, controlling or operating, directly or indirectly, a public cotton gin in this State; providing suitable penalties, forfeitures, and procedure for enforcing this act, prohibiting any interference with or restriction of competition in the sale, handling, or marketing of cotton seed, giving all corporations engaged in the business of operating cotton seed oil mills, that now own, control or operate public cotton gins nine months from the taking effect of this act to sell or otherwise dispose of their gin properties and interest, punishing domestic and foreign corporations having no legal authority or permit to

do a ginning or cotton seed oil mill business to be in any manner engaged in or in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged, providing penalties, punishment, and procedure for all corporations and persons violating this act."

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

#### RECESS.

Senator Willacy moved that the Senate recess until 2 o'clock p. m. today, at which time the Senate resolve itself into a Committee of the Whole for the purpose of hearing the memorial of a committee relating to the cotton reduction acreage. The motion was amended by including the acceptance of the invitation of the House to hear ex-Governor Noel address the House.

The motion, as amended, was adopted.

#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Morrow.

#### HOUSE BILL REFERRED.

The Chair had referred, after its caption had been read, the following House bill:

H. B. No. 4, referred to Judiciary Committee No. 1.

#### IN COMMITTEE OF THE WHOLE.

Senator Willacy moved that the Senate resolve itself into a Committee of the Whole for the purpose of hearing the committee relating to the cotton reduction acreage legislation.

#### IN THE SENATE.

At 5:40 o'clock p. m. the Senate was convened as a session of the Senate, President Pro Tem. Morrow presiding.

## EXCUSED.

On account of important business:

Senator Hall, for non-attendance for yesterday and indefinitely, on motion of Senator Carter.

## ADJOURNMENT.

On motion of Senator Bailey of Harris, the Senate, at 6 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

## APPENDIX.

## COMMITTEE REPORT.

(Floor Report.)

Austin, Texas, October 12, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate:

Sir: Your Judiciary Committee No. 1, to whom was referred

H. B. No. 4, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling, or operating a cotton seed oil mill, and of owning, controlling or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill from owning, controlling or operating, directly or indirectly, a public cotton gin in this State, providing suitable penalties, forfeitures, and procedure for enforcing this act, prohibiting any interference with or restriction of competition in the sale, handling or marketing of cotton seed; giving all corporations engaged in the business of operating cotton seed oil mills, that now own, control or operate public cotton gins, nine months from the taking effect of this act to sell or otherwise dispose of their gin properties and interests; punishing domestic and foreign corporations having no legal authority to do a ginning or cotton seed oil mill business to be in any manner engaged in or in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged; providing penalties, punishments, and procedure for all corporations and persons violating this act, and declaring an emergency,"

Have had same under consideration, and beg leave to report same back to the Senate with the recommendation that it do pass, and be not printed.

Morrow, Chairman; Carter, Hudspeth, Lattimore, Greer, Brelsford, Wiley.

## PETITIONS AND MEMORIALS.

Various petitions and telegrams were presented to the Senate, from different parts of the State, and which related to the proposed reduction in cotton acreage legislation. Some of the petitions requested a law prohibiting the production of cotton next year, while others desired a half reduction. These petitions came from the following places:

By Senator Henderson:

Petition to Governor Colquitt from Atlanta, Texas.

By Senator Carter:

Petitions and telegrams from Henderson, Marshall and Longview.

By Senator McGregor:

Petition from Travis county.

By Senator Brelsford:

Petitions addressed to Governor Colquitt from Atlanta, Columbus, Crockett, Arlington, Sinton and Mineola.

By the President of the Senate:

Telegrams from Timpson and Longview.

## EIGHTEENTH DAY.

Senate Chamber,

Austin, Texas,

Wednesday, October 14, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem, Morrow.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Henderson.
Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	McGregor.
Conner.	McNealus.
Cowell.	Morrow.
Gibson.	Taylor.
Greer.	Terrell.
Harley.	Townsend.

Warren.  
Watson.

Wiley.  
Willacy.

Absent—Excused.

Clark.  
Collins.  
Darwin.  
Hall.

Nugent.  
Real.  
Westbrook.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Terrell.

#### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Bailey of Harris:

Whereas, The sturdy and patriotic citizen and soldier, the Hon. E. I. Kellie, Doorkeeper of the Senate, is one of the few remaining heroes of the trying days of '61 to '65; and

Whereas, A reunion of the soldiers of the Confederacy will be held in Jasper, the home of our good friend, said Hon. E. I. Kellie, whose comrades in recognition of his worth as a citizen and soldier have honored him with election to the position of commander of his camp; and

Whereas, He desires to attend said reunion; therefore, be it

Resolved, That the Senate do now grant him leave of absence from attendance upon the Senate for a period of five days for the purpose of enabling him to attend said reunion.

The resolution was read and unanimously adopted.

#### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Hudspeth:

Whereas, There is not adequate arrangement in the cloak room for Senators to safe-keep wearing apparel and other belongings; and

Whereas, By reason of such inadequate provision Senators have had overcoats and other valuables stolen from the cloak room, in some cases causing them to sustain considerable losses; therefore, be it

Resolved by the Senate, That the Contingent Expense Committee be directed to invite bids from proper persons for the construction of individual lockers for the Senators, said construc-

tion to be made by the time of the convening of the Thirty-fourth Legislature, and report back to this Senate at the earliest time possible the probable cost of such work. Be it further

Resolved, That the Secretary of the Senate be directed to aid the committee in securing bids for said work.

HUDSPETH,  
CARTER.

The resolution was read and adopted.

#### BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senator Lattimore:

S. B. No. 9, A bill to be entitled "An Act to compel a reduction of the acreage of land planted in cotton in Texas during the year 1915 to the end that a price may be obtained for cotton commensurate with its value and the cost of production and the general prosperity of the people be conserved; fixing the proportion of land which may be planted in cotton during said year, providing ways for ascertaining the acreage planted; fixing a tax for excess over said amount; fixing penalties and declaring an emergency."

Read first time and referred to Judiciary Committee No. 2.

By Senator Astin:

S. B. No. 10, A bill to be entitled "An Act to provide for a reduction in the cotton acreage in Texas for the year 1915, to the end that a price commensurate with the value of the product may be obtained for the crop of 1915; authorizing the Commissioner of Agriculture to perform certain duties in connection therewith; and making an appropriation for carrying out the purposes of the act, and declaring an emergency."

Read first time and referred to Committee on Agricultural Affairs.

By Senator Henderson:

S. B. No. 11, A bill to be entitled "An Act to reduce cotton acreage, and to provide a tax for excess acreage, and prescribing a penalty for failure of planters to make reports."

Read first time and referred to Judiciary Committee No. 1.

#### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Wiley:

Whereas, The supply of cotton is far

in excess of the demands for consumption which, together with the unsettled conditions prevailing in foreign markets, and the present low price of cotton, is a great embarrassment to the producers of cotton, resulting likewise in disappointment to producer, merchant and banker; and,

Whereas, We believe that the diversification of crops and the rule of first producing, in so far as may be possible, all foods and supplies necessary for the individual family, will equalize values, distribute products on an equitable basis and result in great material benefit to the citizenship of our State; and,

Whereas, We believe that this result should be brought about by the concerted action of all people concerned, based upon that broad principle of the brotherhood of man; therefore, be it

Resolved by the Senate of the State of Texas, That we are opposed to the enactment of any law that will hinder or deter the great farming interests of this State from the exercise of the right to manage and conduct their own affairs, and especially do we object to the enactment of a law by the terms of which the producers of that great staple (cotton) shall be restricted to a limited acreage or to no acreage at all; and be it further

Resolved, That we pledge our best efforts to bring about a sentiment of diversification of crops, not that we are to appear as dictators of the policy of the farming interests of this State, but that we shall labor co-jointly with the farmers in spreading this great doctrine of diversification; be it further

Resolved, That for the purposes herein stated, we offer to the people of our respective districts and to the State at large our services in so far as the public good may require.

(Senator Greer in the chair.)

#### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, October 14, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following:

S. C. R. No. 2, Endorsing the action of Secretary of Treasury McAdoo.

H. B. No. 5, A bill to be entitled "An Act to prohibit any person, firm or

association of persons, operating a cotton seed oil mill in this State or any member, agent or employe of either from owning, operating or holding any character of interest in a public cotton gin in this State; also to prohibit any officer, director, agent, or employe of any corporation operating a cotton seed oil mill in this State from owning, operating or holding any character of interest in a public cotton gin in this State; providing the time the act shall become effective, and fixing penalties."

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

#### RECESS.

On motion of Senator Terrell, the Senate, at 12:25 o'clock p. m., recessed until 2:30 o'clock today.

#### AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Morrow.

#### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Henderson:

Resolved by the Senate of the State of Texas, That we hereby endorse the amendment as proposed by the Southern Senators and offered as an amendment to war tax bill wherein it is proposed that the national government issue \$250,000,000 4 per cent three-year bonds, and that said bonds shall be used to purchase five million bales of this year's cotton at 10 cents per pound, and providing that said cotton shall not be sold by the government until 1916 and 1917, and that we hereby request the Congress of the United States to pass said amendment and that a copy of this resolution be wired to our Senators—Chas. A. Culberson and Morris Sheppard.

HENDERSON,  
GIBSON.

The resolution was read and Senator Wiley moved that it be referred to the Committee on Commerce and Manufactures.

Senator Henderson moved, as a sub-

stitute, that the resolution be adopted, which motion prevailed.

### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Warren:

I move that ex-Lieutenant Governor Jester of Navarro county be invited to address the Senate, and that he be accorded the privileges of the floor.

The resolution was read and adopted.

Being escorted to the President's stand by Senators Warren and Taylor, Mr. Jester addressed the Senate briefly.

### SIMPLE RESOLUTION.

(Pending Business.)

Action recurred on the pending simple resolution by Senator Wiley, the question being on the motion to adopt same.

Pending discussion, Senator Bailey of DeWitt moved to lay the resolution on the table subject to call.

Senator Willacy moved to table the resolution, and moved the previous question on that motion.

The motion for the previous question being duly seconded was so ordered.

The motion to table the resolution was adopted by the following vote:

Yeas—14.

Bailey of Harris.	McNealus.
Brelsford.	Morrow.
Conner.	Taylor.
Gibson.	Terrell.
Greer.	Warren.
Henderson.	Watson.
Hudspeth.	Willacy.

Nays—3.

Astin.	Wiley.
Townsend.	

Present—Not Voting.

Bailey of DeWitt.	Harley.
Carter.	Johnson.
Cowell.	

Absent.

Lattimore.	McGregor.
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Absent—Excused.

Clark.	Nugent.
Collins.	Real.
Darwin.	Westbrook.
Hall.	

### HOUSE BILL NO. 4.

At the conclusion of the consideration of the above matter, the question arose as to what was the pending business at this time, the Chair announcing that today being Wednesday, the day set apart by Subdivision 3 of the Senate Rules, just reached under the "Order of Business," and provided for in the Joint Rules, being designated for the consideration of House bills. Senate bill No. 7 being a special order by former resolution.

Pending discussion, the Chair (President Pro Tem. Morrow) held that H. B. No. 4 was in order under the Rules.

### ADJOURNMENT.

Senator Watson, at 4:50 o'clock p. m., moved to adjourn until 10 o'clock tomorrow morning, which motion was adopted by the following vote:

Yeas—12.

Astin.	Henderson.
Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	McNealus.
Brelsford.	Warren.
Cowell.	Watson.
Gibson.	Willacy.

Nays—8.

Carter.	Taylor.
Greer.	Terrell.
Harley.	Townsend.
Johnson.	Wiley.

Present—Not Voting.

Morrow.

Absent.

Conner.	McGregor.
Lattimore.	

Absent—Excused.

Clark.	Nugent.
Collins.	Real.
Darwin.	Westbrook.
Hall.	

### APPENDIX.

#### PETITIONS AND MEMORIALS.

By Senator Taylor:

Petition from Farmers' Union of Corryell county, favoring cotton oil divorcement bill.

By Senator Morrow:

Petition from Waxahachie, numerous signed, favoring cotton acreage resolution; also a like petition from Pittsburg, Camp county.

By Senator Greer:

Telegrams from Tyler and Wills Point favoring cotton acreage reduction.

By Senator Carter:

Petition from Kilgore favoring reduction in cotton acreage.

By Senator Warren:

Petition from Rice favoring cotton reduction.

By Senator McNealus:

Letter from Sachse favoring the cotton acreage legislation and asking the Legislature to take into consideration the size of families, as an equalization basis, in drawing the bill.

#### COTTON ACREAGE BILLS IN THE SENATE.

The following bills, introduced and pending in the Senate, are here printed by order of the Senate:

By Senators Brelsford and Westbrook:

S. B. No. 7, A bill to be entitled "An Act to bring about a reduction in the cotton acreage in this State for the year 1915, and to maintain the financial and industrial integrity of the State, and prevent a general demoralization of the cotton market of the State; to curtail the production of cotton in this State for the year 1915 so that a price commensurate with the cost of production may be obtained for the present crop, and to prevent a financial demoralization of our industrial system in this State; prescribing certain duties for the Attorney General and district and county attorneys; and prescribing the jurisdiction of penalty and forfeiture suits hereunder, creating offenses for a violation of the provisions hereof, prescribing penalties therefor, and declaring an emergency."

Whereas, The production of cotton has been large during the year 1914, and there will be a surplus of several million bales owing to the closing of several of the export markets by way; and

Whereas, This has caused a depression in price below the cost of production and is about to bankrupt the busi-

ness interests of the State, practically all of which depend upon cotton as a basis; and

Whereas, Foodstuffs and food are rising to a high price owing to the same war, and the people of the State will be unable to buy sufficient to maintain themselves with the low price of cotton, and poverty and want will be greatly increased if this condition continues; and

Whereas, The planting of another large crop of cotton in 1915 will tend to pile another surplus on the surplus of 1914 and will effectually destroy the value of the 1914 crop and bring disaster and want upon the people of this State; and

Whereas, It is highly important to provide for foodstuffs to be raised in the State of Texas sufficient to support her people and to greatly reduce the area planted in cotton in 1915, so that foodstuffs may be raised and the price of cotton increased by making the demand approach the supply.

Now, therefore, in the exercise of the police power of the State, for the general welfare of the body politic, and to preserve the State from a spread of want and mendicancy and save the business interests based on our staple production from disaster,

Be it enacted by the Legislature of the State of Texas:

Section 1. That from and after January 1, A. D. 1915, the maximum quantity of land which it shall be lawful for any family or household, or the immediate servants or employes of such family or household for them, to plant, cultivate or grow in cotton within this State, or for any person not a constituent member of any family or household, or for his servants or employes for him, or for any corporation or its servants or employes for it, to plant, cultivate or grow in cotton within this State for one year from January 1, A. D. 1915, shall be twenty acres; provided, this limitation shall apply only to the family, household or immediate servants thereof, or to a person not a constituent member of a family or household and his servants and employes, or to any corporations, its servants and employes, and not to the quantity of land which may be cultivated on any one farm or plantation.

Sec. 2. Any person who for himself or for another, whether such person shall be a natural person or a corporation, shall violate the terms of this section shall be deemed guilty of a felony

and upon conviction shall be confined in the penitentiary for a term of not less than one year nor more than five years, or by fine of not exceeding five thousand dollars, or by both such fine and imprisonment; provided, further, that the Suspended Sentence Act of this State shall not apply to those convicted under this act, and that the sentence herein required to be imposed upon conviction shall not in any event be suspended.

Sec. 3. Any corporation violating the provisions of this act shall forfeit its charter and franchise, or permit, as the case may be, and its corporate existence shall cease and terminate; and, in addition thereto, any such corporation as may violate the provisions hereof shall forfeit and pay to the State of Texas any sum of money not exceeding five thousand dollars as penalties, which may be recovered in the name of the State of Texas in any county where the offense is committed or where such corporation has an agent or office, or in Travis county; and it shall be the duty of the Attorney General on his own motion, and without leave of any court or judge, or the duty of any district or county attorney, under the direction of the Attorney General, to institute quo warranto proceedings and suit for penalties hereunder in any county having jurisdiction hereof, as above defined, for the forfeiture of the charter, franchise or permit of any offending corporation and for the penalties herein provided against it.

Sec. 4. The importance of this measure and that its enactment should become widely known throughout the State and the fact that this measure is being enacted at a Special Session of the Legislature, creates an emergency and an imperative public necessity that the constitutional rule which requires that bills shall be read on three several days in each House be suspended, and said rule is therefore suspended, and that this act take effect and be in force from and after its passage, and it is so enacted.

The following is the proposed amendment or substitute for S. B. No. 7:

Strike out all after the enacting clause and insert the following:

Section 1. It shall be unlawful for any person, association of persons, or corporation to plant or cultivate, either for himself, themselves, or itself, or to cause or permit any other person, persons, or corporation to plant or cultivate for him, them, or it, on any land within this State, owned or controlled by

him, them, or it, any cotton in excess, in acreage, of one-third of the cultivated land owned by him, them, or it, during the year 1915. It shall also be unlawful for person, association of persons, or corporation to plant or cultivate, for any person, association of persons, or corporation, either as owner or lessee or employee, any acreage in cotton in excess of one-third of the entire acreage cultivated during said year 1915 by such person, association of persons, or corporation, for said year; provided, however, in estimating the acreage planted by such person, association of persons, or corporation, the acreage of orchards, unplanted pasturage and meadow lands shall be excluded.

Sec. 2. Any person who, for himself or for another, whether such other person be a natural person or a corporation, who shall violate the terms of Section 1 of this act shall be deemed guilty of a misdemeanor, and upon conviction shall be fined in an amount equal to ten dollars per acre for each acre planted in cotton during said year in excess of the amount authorized to be planted under the terms of this act.

Sec. 3. Any corporation violating the provisions of this act shall forfeit its charter, franchise or permit, as the case may be, and its corporate existence shall cease and determine; and, in addition thereto, any such corporation violating the provisions hereof shall forfeit and pay to the State of Texas any sum of money not exceeding five thousand dollars as penalties, which may be recovered in the name of the State of Texas in any county where the offense is committed or where such corporation has an agent or office, or in Travis county; and it shall be the duty of the Attorney General on his own motion, and without leave of any court or judge, or the duty of any district or county attorney, under the direction of the Attorney General, to institute quo warranto proceedings and suit for penalties hereunder in any county having jurisdiction hereof, as above defined, for the forfeiture of the charter, franchise or permit of any offending corporation and for the penalties herein provided against it.

Sec. 4. This act, being considered an emergency measure, it shall expire by limitation on December 31, 1915.

Sec. 5. Should any provision of this act be declared unconstitutional, such unconstitutional part shall not affect the other provisions of this act, which shall remain in full force and effect.



Sec. 6. The importance of this measure and that its enactment should become widely known throughout the State, and the fact that this measure is being enacted at a special session of the Legislature, creates an emergency and an imperative public necessity that the constitutional rule which requires that bills shall be read on three several days in each House be suspended, and said rule is therefore suspended, and that this act take effect and be in force from and after its passage, and it is so enacted.

WARREN.  
WILLACY.  
BRELSFORD.  
CONNER.

S. B. No. 11. By Senator Henderson.

#### A BILL

#### To be Entitled

An Act to reduce cotton acreage, and to provide a tax for excess acreage, and prescribing a penalty for failure of planters to make reports.

Be it enacted by the Legislature of the State of Texas:

Section 1. From and after the passage of this act, it shall be unlawful for the owner of land who cultivates it by his own labor or by the labor of his family or by labor employed under any sort of a contract, to plant more than forty-five per cent of his entire crop in cotton in any one year.

Sec. 2. From and after the passage of this act, it shall be unlawful for any one who cultivates the land of another within this State, under any sort of a contract whether written or verbal, to plant more than sixty per cent of his entire acreage in cotton.

Sec. 3. By the first day of August of each year, every person who plants cotton within this State shall report to the tax assessor of the county in which such cultivated land is located, under oath, the total acreage planted in all crops and the number of those acres planted to cotton. Should said report show an owner of land had in cultivation more than forty-five per cent of his entire acreage in cotton, the tax assessor should enter the excess acreage on the assessed rendition against such owner as he had planted to cotton in excess of aforesaid forty-five per cent of the entire acreage, and, likewise the acreage in excess of sixty per cent of

his entire crop planted by one other than the owner of the land, should be entered on the assessed rendition of such non-owner of land. The acreages so shown by the assessor shall be transmitted to the tax collector of the said county, and the said tax collector shall enter upon his tax accounts against each of the persons reported to him by the tax assessor, the sum of \$10 per acre on each of the acres so reported to him by the tax assessor, and the said amount placed on the tax account of the owner of the land. All excess acreage transmitted to the tax collector by the tax assessor against a non-owner of land, shall be entered one-half on the tax account of the non-owner of the land and the other one-half shall be entered on the tax account of the owner of the land, and said amounts so assessed and entered on the taxes on the owner and the non-owner of the land shall be paid as, and at the same time, other taxes are paid, and shall be a lien on other property of the debtor as is now provided for taxes as liens upon the debtors property.

Sec. 4. Any owner or any non-owner who fails or refuses to make a report under oath, herein required, on or before the first day of August of each year as required herein shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not less than one hundred dollars nor more than two thousand dollars.

S. B. No. 9. By Senator Lattimore.

#### A BILL

#### To Be Entitled

An Act to compel a reduction of the acreage of land planted in cotton in Texas during the year 1915 to the end that a price may be obtained for cotton commensurate with its value and the cost of production, and the general prosperity of the people be conserved: fixing the proportion of land which may be planted in cotton during said year, providing ways for ascertaining the acreage planted; fixing a penalty for excess over said amount, fixing penalties and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. No person, firm or corporation, owning, leasing or controlling any farm lands in this State now in

cultivation or which may be put in cultivation during the year 1915, shall plant, allow or permit to be planted in cotton an amount of said lands during 1915 more than such number of acres as shall equal fifty per cent of the quantity of such land which was planted in cotton during the year 1914, except as hereinafter provided.

Sec. 2. Between June 1st and August 1st, 1915, every person in this State who owns farm lands, any part of which is planted in cotton during 1915, shall file with the county clerk of the county in which such lands may be situated, a statement in writing and under oath, containing substantially the following, to-wit.

First. The exact amount if known, and if not known then as nearly as possible the amount of such person's lands which were planted in cotton during the year 1914.

Second. The substantial amount of such lands planted in cotton during 1914 by (1) the owner and his family, (2) by hired hands giving their names (3) by tenants, giving the names of and amount planted by each tenant.

Third. The substantial amount of such lands planted in cotton in 1915 by (1) the owner and his family (2) by hired hands, giving their names (3) by tenants, giving the name of, and amount planted by each tenant, provided if such farm lands be owned by non-residents, or by corporations. Such statements or affidavits shall be made by the agent in charge or the resident manager or tenant of such lands or corporation.

Sec. 3. A failure on the part of any corporation renting or controlling or planting any lands in cotton, to make or have made and filed, such affidavit, shall be sufficient cause for the forfeiture of its charter at the suit of the State.

Sec. 4. Every person herein required so to do, who fails or refuses to make and file such statement under oath or affidavit, or any person, the owner, lessee or tenant of any lands in this State who plants or cultivates any cotton in this State during 1915 upon land of and concerning which no such statement or affidavit has been filed, shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not less than ten nor more than one hundred dollars, provided; it shall be a defense to any tenant prosecuted hereunder to show that he rents such land from a resident

landlord or from a resident agent or manager of a non-resident landlord.

Sec. 5. Any person herein required to make such written statement or affidavit who shall wilfully make any false statement therein, shall be deemed guilty of false swearing and upon conviction thereof shall be fined in any sum not less than one hundred dollars and not more than five hundred dollars.

Sec. 6. It shall be the duty of the commissioners courts of the several counties to provide the county clerks of their counties with blank forms for such affidavits; and for filling out, taking the oath, and filing each such affidavit, the county clerk shall be allowed the sum of 25 cents.

Sec. 7. As soon after August 1, 1915, as practicable, said county clerks shall place such affidavits in alphabetical order in some file case where same may be securely kept, and same shall not be allowed to be out of the custody of said clerks until after the year 1916, but it shall be the duty of such clerk to submit same for inspection to any grand jury or court when called for by the foreman of such grand jury or the judge of said court.

Sec. 8. It shall be the duty of the district judges of the several counties to instruct their grand juries to specially investigate and ascertain if the said affidavits have been made and filed and if any acreage of cotton has been planted other than as stated, and if any excess acreage be found, such information shall be for the use and benefit of the prosecuting attorneys and the tax collector of said county.

Sec. 9. A penalty of ten dollars per acre, for each acre of land so planted in cotton in 1915 in excess of fifty per cent of the quantity of said land of such owners, planted in cotton in 1914 is hereby declared, and the amount of said penalty is hereby declared to be a preference lien upon any property, not exempt from forced sale of such person so violating this law.

It shall be the duty of the county or district attorney of the several counties to institute suits for such penalties in the district courts of the several counties and for his services such county attorney shall receive a fee of ten dollars for each excess acre as named above, same to be taxed as costs.

Sec. 10. The near approach of the end of this session and the importance of restricting the acreage of cotton in this State for 1915 and that such law should

be on the statute books of this State creates an emergency and an imperative public necessity requiring that the constitutional rule requiring bills to be read in each House three several times be suspended and that this act take effect from and after its passage, and it is so enacted.

S. B. No. 10.

By Senator Astin.

### A BILL

#### To Be Entitled

An Act to induce a reduction in the cotton acreage in Texas for the year 1915, to the end that a price commensurate with the value of the product may be obtained for the crop of 1915; authorizing the Commissioner of Agriculture to perform certain duties in connection therewith; and making an appropriation for carrying out the purposes of the act, and declaring an emergency.

Whereas, The State of Texas has produced a large cotton crop during the year 1914, and the interruption in foreign demand for cotton for exportation has caused a decline in the market price of that crop; and

Whereas, This interruption in the demand for the cotton crop of 1914 may continue into 1915, with the resulting effect of congesting the markets of the world with raw cotton in excess of normal consumption, and a consequent further reduction in the market price of cotton produced in this State; and

Whereas, It is a matter of great and universal importance to the people of Texas that the cotton production in the year 1915 should not be so large as to deprive the farmers of the State of a considerable part of the intrinsic value of this product, through the reduction of the market price below the cost of production; therefore,

Be it enacted by the Legislature of the State of Texas:

Section 1. Within thirty (30) days after this act becomes effective it shall be the duty of the Commissioner of Agriculture of this State to call a Conference of Cotton Acreage Reduction, and to request the county judge of each county in Texas producing one thousand bales of cotton or more, as disclosed by

the last official report of production, to appoint one delegate from such county to the said conference.

The concurrence of delegates representing not less than three-fourths of the cotton production of this State as to the percentage of reduction in acreage to be planted in 1915 in the different cotton-producing counties shall be effective for the purposes of this act.

Sec. 3. When the said conference, by appropriate resolution, shall have declared the acreage reduction agreed upon, the Commissioner of Agriculture shall at once undertake the organization of the cotton-producing counties by county commissioners precincts, taking a written pledge from each cotton grower, which pledge shall state the acreage planted by said grower in 1914, and the acreage to be planted in 1915, and all such pledges shall be placed in the hands of the county commissioners of the precincts in which such cotton growers making the pledge reside. The Commissioner of Agriculture shall, if their co-operation is available, employ the aid of the United States Department of Agriculture County Demonstration Agents in the organization of the counties and securing the pledges herein authorized.

Sec. 3. The sum of ten thousand (\$10,000) dollars, or so much thereof as may be found necessary, is hereby appropriated out of any funds in the State Treasury, not otherwise appropriated, to defray the actual expenses of such organization of the cotton producing counties of the State in the interest of cotton acreage reduction; and the Commissioner of Agriculture shall draw his warrant for such expenditures as for other expenses of his department.

Sec. 4. This act being considered an emergency measure, it shall expire by limitation on December 31, 1915.

Sec. 5. The importance of determining at the earliest practicable date the acreage to be planted in cotton for 1915, to the end that farmers may arrange for the planting of other crops with as little delay as may be necessary, constitutes an emergency requiring that the constitutional rule providing that all bills be read on three several days in each House shall be suspended, and the same is hereby suspended, and this act shall become effective from and after its passage, and it is so enacted.

**In Memory  
of  
Hon. Reuben R. Gaines**

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By Senator Hudspeth:

Whereas, It has just been made known to this Senate that the Hon. Reuben R. Gaines, a distinguished patriot, statesman and jurist, has been called from the affairs of man to his celestial home beyond the skies;

Whereas, He emblazoned the pages of Texas history and jurisprudence with the splendid qualities that only a patriot and jurist can possess;

Whereas, The entire State suffers an irreparable loss at the demise of this great and good man; therefore, be it

Resolved, That the Senate of Texas, along with the entire citizenship of this State, do now mourn on account of this bereavement that has now fallen upon us; therefore, be it further

Resolved, That a page be set apart in the Journal, dedicated to the memory of Judge Gaines, and that a copy of this resolution be furnished the family of the deceased by the Secretary of this Senate.

Signed—Hudspeth, Morrow, Astin, Bailey of DeWitt, Bailey of Harris, Brelsford, Carter, Clark, Collins, Conner, Cowell, Darwin, Gibson, Greer, Hall, Harley, Henderson Johnson, Lattimore, McGregor, McNealus, Nugent, Real, Taylor, Terrell, Townsend, Warren, Watson, Westbrook, Wiley, Willacy.

The resolution was read and unanimously adopted.

## NINETEENTH DAY.

Senate Chamber,  
Austin, Texas,

Thursday, October 15, 1914.

The Senate met pursuant to adjournment, and was called to order by Senator Hudspeth, who had the following read to the Senate:

To the Senate of Texas:

Rule 5 of the Senate Rules provides that the President Pro Tempore of the Senate shall have the right, during his temporary absence, to name a member of the Senate to perform the duties of the Chair until the President Pro Tempore shall return. It also provides that at any time while such substitute is presiding the Senate may elect a member of the Senate in place of said substitute to perform the duties of the Chair during the absence of the President Pro Tempore.

Circumstances render it necessary for the President Pro Tempore to be absent from the Senate on tomorrow the 15th of October, 1914, and possibly for several days thereafter, and pursuant to said rule of the Senate, which is Section 1700 of the Manual, page 755, I hereby name the Hon. Claude Hudspeth, a member of this Senate, to perform the duties of the Chair during my absence and until such time as I return, or such time as the Senate may exercise its right to elect some member in place of said Senator Hudspeth to perform said duties.

Witness my hand, this October 14, 1914.

W. C. MORROW,  
President Pro Tempore of the Senate.

The above was read, and on motion of Senator Gibson and Taylor the Senate acceded to the appointment named therein.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Harley.	Watson.
Henderson.	Willacy.
Hudspeth.	

Absent.

Morrow.

Absent—Excused.

Clark.  
Collins.  
Darwin.  
Hall.

Nugent.  
Westbrook.  
Wiley.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Taylor.

## EXCUSED.

On account of important business:

Senator Westbrook, for non-attendance all of this week and indefinitely, on motion of Senator Johnson.

Senator Real, for non-attendance for all this week, on motion of Senator Cowell.

Senator Wiley, for today and indefinitely, on motion of Senator Carter.

## SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Watson:

Whereas, Our distinguished colleague, Hon. J. C. McNealus, was born on October 15, 1850, this being his 64th anniversary; and

Whereas, His faithful, loyal and conscientious devotion to duty has greatly endeared him to us; therefore, be it

Resolved, That when the Senate adjourns on this date it shall be in his honor. Be it further

Resolved, That we extend to him our hearty good wishes and hopes for many returns of this anniversary.

Signed—Watson, Carter, Willacy, Astin, Bailey of DeWitt, Bailey of Harris, Brelsford, Conner, Cowell, Gibson, Greer, Hall, Harley, Henderson, Hudspeth, Johnson, Lattimore, McGregor, Morrow, Real, Taylor, Terrell, Townsend, Warren, Wiley.

The resolution was read and adopted by a rising vote.

Senator McNealus was called to the President's stand for a speech and addressed the Senate, thanking them for their friendship, etc.

## BILLS AND RESOLUTIONS.

By Senators Terrell and Hudspeth:  
S. B. No. 12, A bill to be entitled

"An Act for the purpose of limiting the acreage of cotton to be produced within this State by the voluntary agreement of individuals, firms or corporations owning or leasing land within this State, and prescribing damages for a failure to carry out said agreement; providing for recording said agreement and for suits thereon, making an appropriation, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

Senator Terrell moved that the bill be printed in today's Journal, which motion was adopted. (See Appendix for the bill in full.)

# SENATE CONCURRENT RESOLUTION NO. 5.

By Senator Watson:

Senate Concurrent Resolution No. 5: Be it resolved by the Senate, the House of Representatives concurring, That the Third Called Session of the Thirty-third Legislature of the State of Texas adjourn sine die at 12 o'clock noon, Saturday, October 17, 1914.

The resolution was read, and

Senator Johnson moved that the same be adopted.

Senator Brelsford moved, as a substitute, that the resolution lie on the table subject to call.

Senator Johnson moved to table the substitute motion, which motion to table was adopted by the following vote:

Yeas—12.

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Carter.	McGregor.
Cowell.	Real.
Gibson.	Taylor.
Harley.	Watson.

Nays—9.

Brelsford.	Terrell.
Conner.	Townsend.
Greer.	Warren.
Lattimore.	Willacy.
McNealus.	

Absent.

Bailey of Harris. Morrow.

Absent—Excused.

Clark.	Hall.
Collins.	Nugent.
Darwin.	Westbrook.

PAIRED.

Senator Henderson (present), who

would vote "nay," with Senator Wiley (absent), who would vote "yea."

Action then recurred on the resolution, and the same was adopted by the following vote:

Yeas—12.

Astin.	Johnson.
Bailey of DeWitt.	McGregor.
Carter.	Real.
Cowell.	Taylor.
Gibson.	Terrell.
Hudspeth.	Watson.

Nays—7.

Conner.	Townsend.
Greer.	Warren.
Lattimore.	Willacy.
McNealus.	

Absent.

Bailey of Harris. Morrow.

Absent—Excused.

Clark.	Hall.
Collins.	Nugent.
Darwin.	Westbrook.

PAIRED.

Senator Harley (present), who would vote "yea," with Senator Brelsford (absent), who would vote "nay."

Senator Henderson (present), who would vote "nay," with Senator Wiley (absent), who would vote "yea."

The Chair held that those present and "paired" would count to make a quorum.

Senator Johnson moved to reconsider the vote by which the resolution was adopted, and lay that motion on the table.

Senator Lattimore moved, as a substitute, that the vote by which the resolution was adopted be reconsidered and spread that motion on the Journal.

Senator Bailey of DeWitt made the point of order that the motion to reconsider and spread on the Journal was not germane as a substitute for the motion to reconsider and table.

The Chair overruled the point of order.

Senator Johnson moved to table the motion by Senator Lattimore, which motion to table was lost by the following vote:

Yeas—10.

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	McGregor.
Carter.	Real.
Cowell.	Watson.

## Nays—12.

Brelsford.	McNealus.
Conner.	Taylor.
Gibson.	Terrell.
Greer.	Townsend.
Harley.	Warren.
Lattimore.	Willacy.

## Absent.

Morrow.

## Absent—Excused.

Clark.	Hall.
Collins.	Nugent.
Darwin.	Westbrook.

## PAIRED.

Senator Henderson (present), who would vote "nay," with Senator Wiley (absent), who would vote "yea."

The motion to reconsider the vote by which the resolution was adopted and spread that motion on the Journal was then adopted by the following vote:

## Yeas—11.

Brelsford.	Taylor.
Conner.	Terrell.
Greer.	Townsend.
Harley.	Warren.
Lattimore.	Willacy.
McNealus.	

## Nays—10.

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	McGregor.
Carter.	Real.
Cowell.	Watson.

## Present—Not Voting.

Gibson.

## Absent.

Morrow.

## Absent—Excused.

Clark.	Hall.
Collins.	Nugent.
Darwin.	Westbrook.

## PAIRED.

Senator Henderson (present), who would vote "yea," with Senator Wiley (absent), who would vote "nay."

## SIMPLE RESOLUTION.

By Senator Warren:

Resolved, That Senator Casteel, of Mississippi, who is a member of the Senate of that State, and who is now

in the gallery, be invited to address the Senate, and that he be accorded the privileges of the floor.

BAILEY of Harris,  
WARREN.

The resolution was adopted, and the Chair appointed Senators Bailey of Harris, Warren and Greer to escort Senator Casteel to the President's stand, whereupon he addressed the Senate briefly.

## HOUSE BILL REFERRED.

The Chair (Senator Hudspeth) referred, after its caption had been read, the following bill:

H. B. No. 5, referred to Judiciary Committee No. 2.

Morning call concluded.

## HOUSE BILL NO. 4.

The Chair announced that H. B. No. 4 was the pending business, which was in accordance with the holding of the President Pro Tem. on yesterday afternoon.

Senator Watson made the point of order that S. B. No. 7 was the pending business, since it had been made a special order and by the Rules should be considered from day to day until disposed of, but the Chair overruled the point of order, stating that he would hold in accordance with the ruling of President Pro Tem. Morrow on yesterday.

Senator Watson made the point of order that H. B. No. 4 was not properly on the calendar (1) because it was was referred to Judiciary Committee No. 1 and had been reported back to the Senate by a minority of that committee, or the regularly appointed Judiciary Committee when, in fact, the Senate, by motion of Senator Townsend, on the first day of the Third Called Session, had added the entire Senate to that committee, and that the bill had not been considered by the committee; (2) that the report so made provided that the bill "be not printed"; and that the Senate Rules required that all bills of a general nature be printed unless otherwise ordered by the Senate; that the Senate had not directed this bill to be not printed, and (3) that the report was a "floor" report, and required a unanimous approval by the committee to be so reported, which unanimous approval had not been secured.

Senator Carter made objection to the point of order (1) that the entire Senate had not been added to Judiciary Committee No. 1; (2) that the motion was a request and not an order; (3) that the matter of the bill being printed was a matter for the Senate to decide after the bill was laid before the Senate, and that the floor report had the signatures of a majority of the regularly appointed committee.

# SENATE CONCURRENT RESOLUTION NO. 6.

(By Unanimous Consent.)

By Senator Bailey of DeWitt:

Senate Concurrent Resolution No. 6:

Resolved by the Senate, the House of Representatives concurring, That when the Legislature adjourns at the noon hour on Friday, October 16, 1914, such adjournment be for the remainder of the day and in respect to the memory of the lamented Hon. Reuben R. Gaines, ex-Chief Justice of the Supreme Court of Texas, and that both houses of the Legislature attend his funeral, to be held from the parlors of the Driskill Hotel, in Austin, Texas, on Friday, October 16, 1914, at 3 o'clock p. m.

Resolved, further, That a joint committee of five, consisting of two from the Senate to be appointed by the President and three from the House of Representatives to be appointed by the Speaker, be appointed for the purpose of arranging for the joint attendance of both houses of the Legislature upon such occasion.

The resolution was read and adopted.

## RECESS.

On motion of Senator McGregor, the Senate, at 12:20 o'clock p. m., recessed until 2:30 o'clock p. m. today.

## AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by Senator Hudspeth, Acting President Pro Tem.

## HOUSE BILL NO. 4.

(Pending Business.)

Action recurred on the pending point

of order by Senator Watson. (See morning proceedings for the point of order.)

The Chair overruled that part of the point of order relating to the pending business having to be suspended in order to act on the committee report, "that the bill be not printed." and sustained that part of the point of order relating to the committee report not having been regularly made, since it was a floor report and there was objection by a member of the committee, and held that the bill was not before the Senate but still before Judiciary Committee No. 1.

## SENATE BILL NO. 7.

It was announced by the Chair that S. B. No. 7 was the pending business, and,

Senator Carter made the point of order that the bill had not been printed in accordance with the rules of the Senate.

The Chair overruled the point of order, holding that the bill, having been printed in yesterday's Journal, satisfied the Senate rules.

The Chair laid before the Senate, on second reading,

S. B. No. 7, A bill to be entitled "An Act to bring about a reduction in the cotton acreage in this State for the year 1915, and to maintain the financial and industrial integrity of the State, and prevent a general demoralization of the cotton market of the State; to curtail the production of cotton in this State for the year 1915 so that a price commensurate with the cost of production may be obtained for the present crop, and to prevent a financial demoralization of our industrial system in this State; prescribing certain duties for the Attorney General and district and county attorneys; and prescribing the jurisdiction of penalty and forfeiture suits hereunder, creating offenses for a violation of the provisions hereof, prescribing penalties therefor, and declaring an emergency."

There being a favorable majority committee report and an adverse minority committee report, on motion of Senator Brelsford the majority (favorable) committee report was adopted.

Senator Brelsford offered the following amendment:

Strike out all after the enacting clause and insert the following:

"Section 1. It shall be unlawful for any person, association of persons, or



corporation to plant or cultivate, either for himself, themselves, or itself, or to cause or permit any other person, persons, or corporation to plant or cultivate for him, them, or it, on any land within this State, owned or controlled by him, them, or it, any cotton in excess in acreage, of one-third of the cultivated land owned by him, them, or it, during the year 1915. It shall also be unlawful for any person, association of persons, or corporation to plant or cultivate, for any person, association of persons, or corporation, either as owner or lessee or employe, any acreage in cotton in excess of one-third of the entire acreage cultivated during said year 1915 by such person, association of persons, or corporation, for said year; provided, however, in estimating the acreage planted by such person, association of persons, or corporation, the acreage of orchards, unplanted pasturage and meadow lands shall be excluded.

"Sec. 2. Any person, who for himself or for another, whether such other person be a natural person or a corporation, who shall violate the terms of Section 1 of this act shall be deemed guilty of a misdemeanor, and upon conviction shall be fined in an amount equal to ten dollars per acre for each acre planted in cotton during said year in excess of the amount authorized to be planted under the terms of this act.

"Sec. 3. Any corporation violating the provisions of this act shall forfeit its charter, franchise or permit, as the case may be, and its corporate existence shall cease and determine; and, in addition thereto any such corporation violating the provisions hereof shall forfeit and pay to the State of Texas any sum of money not exceeding five thousand dollars as penalties, which may be recovered in the name of the State of Texas in any county where the offense is committed or where such corporation has an agent or office, or in Travis county; and it shall be the duty of the Attorney General on his own motion, and without leave of any court or judge, or the duty of any district or county attorney, under the direction of the Attorney General, to institute quo warranto proceedings and suit for penalties hereunder in any county having jurisdiction hereof, as above defined, for the forfeiture of the charter, franchise or permit of any offending corporation and for the penalties herein provided against it.

"Sec. 4. This act, being considered an emergency measure, it shall expire by limitation on December 31, 1915.

"Sec. 5. Should any provision of this act be declared unconstitutional, such unconstitutional part shall not affect the other provisions of this act, which shall remain in full force and effect.

"Sec. 6. The importance of this measure and that its enactment should become widely known throughout the State, and the fact that this measure is being enacted at a special session of the Legislature, creates an emergency and an imperative public necessity that the constitutional rule which requires that bills shall be read on three several days in each House be suspended, and said rule is therefore suspended, and that this act take effect and be in force from and after its passage, and it is so enacted."

Senator Johnson offered the following amendment to the amendment:

Amend the amendment by striking out the word "one-third" wherever it appears and insert in lieu thereof the word "one-half."

(Senator Bailey of Harris in the chair.)

#### MESSAGE FROM THE GOVERNOR.

The following message was received from the Governor and laid before the Senate:

Governor's Office,  
State of Texas.

Austin, October 15, 1914.

To the Senate and House of Representatives:

By virtue of the authority vested in the Governor by the provisions of Section 40 of Article 3 of the Constitution of Texas, and in harmony with clause 2 of the Governor's proclamation convening the Thirty-third Legislature in extra session, I present to you the following additional subject for legislation, to-wit:

The passage of an act amending Article 6386 of Title 113 of the Revised Civil Statutes of Texas of 1911, relating to public buildings, grounds and parks, so as to provide for rearrangement of the offices and rooms in the Capitol building of Texas to enable and empower the Superintendent of Public Buildings and Grounds to supply the departments and officers of the State, created by law, with rooms and office space in which to transact the business entrusted to them.

Respectfully submitted,

O. B. COLQUITT,  
Governor of Texas.

## MESSAGE FROM THE HOUSE.

Hall of the House of Representatives,  
Austin, Texas, October 15, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: I am directed by the House to  
inform the Senate that the House has  
passed the following resolution:

Senate Concurrent Resolution No. 6.  
The following members on the part  
of the House have been appointed:

Messrs. Mills, Wortham and Kirby.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

(Senator Hudspeth, Acting President  
Pro Tem., in the chair.)

In accordance with S. C. R. No. 6,  
providing for committee to arrange for  
the attendance by the Legislature of the  
funeral of Judge Gaines, the Chair ap-  
pointed Senators Bailey of DeWitt and  
Conner on part of the Senate.

(Senator Henderson in the chair.)

## SENATE BILL NO. 7.

(Pending Business.)

Action recurred on the pending busi-  
ness, S. B. No. 7, the question being on  
the amendment by Senator Johnson to  
the amendment by Senator Brelsford  
et al.

(Senator Hudspeth in the chair.)

## RECESS.

Senator Carter, at 5:35 o'clock p. m.,  
moved that the Senate recess until 8  
o'clock tonight.

Senator Watson moved, as a substi-  
tute, that the Senate adjourn until 10  
o'clock tomorrow morning, which motion  
was lost by the following vote:

Yeas—4.

Astin.	Hudspeth.
Bailey of DeWitt.	Watson.

Nays—17.

Bailey of Harris.	Lattimore.
Brelsford.	McNealus.
Carter.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Henderson.	Willacy.
Johnson.	

Absent.

Harley.	Morrow.
McGregor.	Wiley.

Absent—Excused.

Clark.	Hall.
Collins.	Nugent.
Darwin.	Westbrook.

The motion to recess until 8 o'clock  
tonight was then adopted.

## AFTER RECESS.

(Night Session.)

The Senate was called to order by  
Senator Hudspeth, Acting President  
Pro Tem.

## SENATE BILL NO. 7.

Action recurred on the pending busi-  
ness, S. B. No. 7, the question being on  
the amendment by Senator Johnson to  
the amendment by Senator Brelsford  
et al.

Senator Brelsford moved to table the  
amendment to the amendment.

The yeas and nays were called for,  
and the roll call developed no quorum  
voting, the vote being as follows:

Yeas—9.

Bailey of Harris.	McNealus.
Brelsford.	Real.
Conner.	Warren.
Greer.	Willacy.
Lattimore.	

Nays—9.

Bailey of DeWitt.	Taylor.
Cowell.	Terrell.
Harley.	Townsend.
Hudspeth.	Watson.
Johnson.	

Absent.

Astin.	McGregor.
Gibson.	Morrow.
Henderson.	

Absent—Excused.

Clark.	Hall.
Collins.	Nugent.
Darwin.	Wiley.

## PAIRED.

Senator Carter (present), who would  
vote "nay," with Senator Westbrook  
(absent), who would vote "yea."

There being no quorum present, Sen-

ator Johnson moved a call of the Senate for the purpose of securing a quorum.

The motion was seconded.

The Chair directed the roll called, the following Senators answering to their names:

Present—19.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McNealus.
Brelsford.	Real.
Carter.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Greer.	Warren.
Harley.	Watson.
Hudspeth.	Willacy.
Johnson.	

Absent.

Astin.	McGregor.
Gibson.	Morrow.
Henderson.	

Absent—Excused.

Clark.	Nugent.
Collins.	Westbrook.
Darwin.	Wiley.
Hall.	

Senator Watson moved that the Senate adjourn until 10 o'clock tomorrow morning, which motion was lost by the following vote:

Yeas—13.

Bailey of Harris.	McNealus.
Brelsford.	Real.
Carter.	Taylor.
Conner.	Townsend.
Cowell.	Warren.
Greer.	Willacy.
Johnson.	

Nays—7.

Astin.	Lattimore.
Bailey of DeWitt.	Terrell.
Harley.	Watson.
Hudspeth.	

Absent.

Gibson.	McGregor.
Henderson.	Morrow.

Absent—Excused.

Clark.	Nugent.
Collins.	Westbrook.
Darwin.	Wiley.
Hall.	

The Sergeant-at-Arms was instructed to bring in the absentees.

Senator Gibson was here announced at the bar of the Senate, which completed a quorum.

The Chair directed the roll called the

following Senators answering to their names:

Present—22.

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Lattimore.
Brelsford.	McNealus.
Carter.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Harley.	Watson.
Henderson.	Willacy.

Absent.

McGregor.	Morrow.
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Absent—Excused.

Clark.	Nugent.
Collins.	Westbrook.
Darwin.	Wiley.
Hall.	

Senator Watson moved that the Senate adjourn until 10 o'clock tomorrow morning, which motion was lost by the following vote:

Yeas—5.

Astin.	Hudspeth.
Bailey of DeWitt.	Watson.
Harley.	

Nays—17.

Bailey of Harris.	Lattimore.
Brelsford.	McNealus.
Carter.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Henderson.	Willacy.
Johnson.	

Absent.

McGregor.	Morrow.
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Absent—Excused.

Clark.	Nugent.
Collins.	Westbrook.
Darwin.	Wiley.
Hall.	

#### SENATE BILL NO. 7.

Action here recurred on the pending business, S. B. No. 7, the question being on the motion to table the amendment to the amendment, which motion was

lost by the following vote:

## Yeas—10.

Bailey of Harris.	Henderson.
Brelsford.	McNealus.
Conner.	Real.
Gibson.	Warren.
Greer.	Willacy.

## Nays—10.

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Cowell.	Taylor.
Harley.	Terrell.
Hudspeth.	Townsend.

## Present—Not Voting.

Watson.

## Absent.

McGregor.	Wiley.
Morrow.	

## Absent—Excused.

Clark.	Hall.
Collins.	Nugent.
Darwin.	

## PAIRED.

Senator Carter (present), who would vote "nay, with Senator Westbrook (absent), who would vote "yea."

(Senator Watson in the chair.)

Action recurred on the amendment and the same was lost by the following vote:

## Yeas—10.

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Cowell.	Taylor.
Harley.	Terrell.
Hudspeth.	Townsend.

## Nays—11.

Bailey of Harris.	McNealus.
Brelsford.	Real.
Conner.	Warren.
Gibson.	Watson.
Greer.	Willacy.
Henderson.	

## Absent.

McGregor.	Morrow.
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## Absent—Excused.

Clark.	Hall.
Collins.	Nugent.
Darwin.	Wiley.

## PAIRED.

Senator Carter (present), who would vote "yea" with Senator Westbrook (absent) who would vote "nay."

Senator Johnson offered the following amendment to the amendment:

Amend the amendment by striking out the words "one-third" wherever it appears and insert the words "45 per cent" in lieu thereof.

(Senator Hudspeth in the chair.)

Here Senator Carter asked unanimous consent to offer committee report on H. B. No. 4, but there was objection.

Action recurred on the amendment to the amendment and Senator Real moved to table same, which motion to table was lost by the following vote:

## Yeas—11.

Bailey of Harris.	McNealus.
Brelsford.	Real.
Conner.	Warren.
Gibson.	Watson.
Greer.	Willacy.
Henderson.	

## Nays—11.

Astin.	Lattimore.
Bailey of DeWitt.	McGregor.
Cowell.	Taylor.
Harley.	Terrell.
Hudspeth.	Townsend.
Johnson.	

## Absent.

Clark.	Morrow.
Collins.	Nugent.
Darwin.	Wiley.
Hall.	

## PAIRED.

Senator Carter (present), who would vote "nay," with Senator Westbrook (absent), who would vote "yea."

Senator Lattimore here offered the following substitute for the amendment to the amendment, the amendment and the bill.

(Note—The substitute offered will be found in yesterday's Journal under the head of S. B. No. 9, and is not printed here.)

Senator Brelsford made the point of order that the substitute was not germane to the amendment and amendment to the amendment.

The Chair overruled the point of order.

## ADJOURNMENT.

On motion of Senator McGregor the Senate, at 10 o'clock p. m. adjourned until 10 o'clock tomorrow morning.

## APPENDIX.

## PETITIONS AND MEMORIALS.

By Senator McNealus:

Letter from Fred Fleming, President of Fidelity Real Estate and Trust Co., Dallas, favoring legislation to reduce cotton acreage.

By Senator Bailey of DeWitt:

Telegram from R. C. Flick at Cuero, favoring cotton acreage reduction legislation.

By Senator Townsend:

Petition addressed to Governor Colquitt from Porter Springs community, Houston county, Texas, reporting mass meeting at that place favoring cotton acreage reduction legislation.

By Senator Henderson:

Telegrams from Avinger and Atlanta, Texas, favoring cotton acreage reduction legislation.

By Senator Greer:

Telegram from C. E. Gilmore, Wills Point, addressed to Governor Colquitt, favoring cotton acreage reduction legislation.

By Senator Carter:

Telegrams addressed to Governor Colquitt, favoring cotton acreage reduction legislation, from the following places: Timpson, Henderson and Longview.

By Senator Warren:

Petition from Kaufman county, numerous signed, favoring cotton oil mill divorcement bill.

By the Chair:

Telegram from Converse, Bexar county, opposing reduction in cotton acreage bill.

## COMMITTEE REPORTS.

Committee Room,

Austin, Texas, October 15, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Judiciary Committee No. 2, to whom was referred

S. B. No. 9, A bill to be entitled "An Act to compel the reduction of the acreage of land planted in cotton in Texas during the year 1915 to the end that a price may be obtained for cot-

ton commensurate with its value and the cost of production and the general prosperity of the people be conserved; fixing the proportion of land which may be planted in cotton during said year; providing ways for ascertaining the acreage planted; fixing a tax for excess over said amount; fixing penalties, and declaring an emergency."

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed.

CONNER, Chairman.

Committee Room,

Austin, Texas, October 15, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Judiciary Committee No. 2, to whom was referred

S. B. No. 12, A bill to be entitled "An Act for the purpose of limiting the acreage of cotton to be produced within this State by the voluntary agreement of individuals, firms or corporations owning or leasing land within this State, and prescribing damages for a failure to carry out said agreement; providing for recording said agreement and for suits thereon; making an appropriation, and declaring an emergency,"

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed.

CONNER, Chairman.

(Majority Report.)

Committee Room,

Austin, Texas, October 15, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Judiciary Committee No. 2, to whom was referred

H. B. No. 5, A bill to be entitled "An Act to prohibit any person, firm or associations of persons, operating a cotton seed oil mill in this State, or any member, agent or employee of either from owning, operating or holding any character of interest in a public cotton gin in this State; also to prohibit any officer, director, agent or employee of any corporation operating or holding any character of interest in a public cotton gin in this State; providing the time the act shall become effective, and fixing penalties,"

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass, and be not printed.

CONNER, Chairman.

(Minority Report.)

Committee Room,

Austin, Texas, October 15, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: A minority of your Judiciary Committee No. 2, to whom was referred H. B. No. 5, A bill to be entitled "An Act to prohibit any person, firm or association of persons operating a cotton seed oil mill in this State or any member, agent or employe of either from owning, operating or holding any character of interest in a public cotton gin in this State; also to prohibit any officer, director, agent or employe of any corporation operating or holding any character of interest in a public cotton gin in this State, providing the time the act shall become effective, and fixing penalties."

Had had the same under consideration, and beg leave to report the same back to the Senate with the recommendation that it do not pass.

BAILEY of Harris.

(Majority Report.)

Committee Room,

Austin, Texas, October 14, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: Your Committee on Agriculture, to whom was referred

S. B. No. 10, A bill to be entitled "An Act to induce a reduction in the cotton acreage in Texas for the year 1915, to the end that a price commensurate with the value of the product may be obtained for the crop of 1915; authorizing the Commissioner of Agriculture to perform certain duties in connection therewith; and making an appropriation for carrying out the purposes of the act, and declaring an emergency."

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do not pass.

WARREN.

TAYLOR.

CONNER.

(Minority Report.)

Committee Room,

Austin, Texas, October 13, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: We, a minority of your Committee on Agriculture, to whom was referred

S. B. No. 10, A bill to be entitled "An Act to induce a reduction in the acreage in Texas for the year 1915, to the end that a price commensurate with the value of the product may be obtained for the crop of 1915; authorizing the Commissioner of Agriculture to perform certain duties in connection therewith; and making an appropriation for carrying out the purposes of this act, and declaring an emergency,"

Have had the same under consideration, and beg leave to report the same back to the Senate with the recommendation that it do pass.

ASTIN,

BAILEY of DeWitt.

## SENATE BILL NO. 12.

By Senators Terrell and Hudspeth.

### A BILL

To be Entitled

An Act for the purpose of limiting the acreage of cotton to be produced within this State by the voluntary agreement of individuals, firms or corporations owning or leasing land within this State, and prescribing damages for a failure to carry out said agreement, providing for recording said agreement and for suits thereon, making an appropriation and declaring an emergency.

Be it Enacted by the Legislature of the State of Texas:

Section 1. Any number of persons, firms or corporations owning or leasing land within any county of this State shall have the right to enter into a written contract or agreement, obligating themselves to restrict or limit the amount of land to be planted in cotton for any time which may be agreed upon by and between themselves, and such contract or agreement shall be binding and enforceable in all the courts of this State. They shall further have the right to provide any amount of dam-

ages for the violation of the agreement by any of the signers thereto which shall be a fixed and liquidated demand which can be recovered for the benefit of all the parties to each contract or agreement upon the suit of any of said signers in any court of competent jurisdiction, without the necessity of the other signers of the contract or agreement being made parties to said suit; provided, however, that only one recovery shall be had against any individual, firm or corporation violating the contract or agreement provided for herein.

Sec. 2. The signers of the agreement, whether individuals, firms or corporations, shall have the right to prescribe such terms, conditions and limitations as may be deemed best by them; provided, however, that the damages provided for must in all cases be fixed as a liquidated demand, and it shall be unnecessary in any case to prove that actual damages have been suffered in order to recover the damages provided in said contract or agreement. The county clerk of any county shall file said contract or agreement in a book kept for that purpose and may charge a filing fee of one (\$1.00) dollar, and a certified copy thereof shall be admissible in any court in this State without proof of its execution, and it shall not be necessary, in order to record same, that it be acknowledged or witnessed as required of other instruments necessary to be recorded, and the original contracts or agreements shall be kept on file by the clerk of such county.

Sec. 3. The sum of ten thousand (\$10,000) dollars, or so much thereof as may be necessary, is hereby appropriated out of any funds in the State Treasury not otherwise appropriated for the Commissioner of Agriculture to be used in organizing the producers of this State into agreements as provided herein, and he shall have the right to employ such agents and clerical help as may be necessary to assist in carrying into effect the provisions of this act.

Sec. 4. It is provided, however, that where land is leased to a tenant, that it shall be necessary that both the landlord and tenant shall become a party to any agreement hereunder before recovery can be had against either said landlord or tenant, and wherever both the landlord and tenant shall sign such contract or agreement one recovery only shall be permitted and they shall be

jointly and severally liable for such damages.

Sec. 5. The fact that there is no demand for cotton by reason of the war in Europe and that the supply is greater than the amount demanded by the spinners of the United States and foreign countries, and the necessity of restricting the supply to be produced next year creates an emergency and imperative public necessity, necessitates that the rule requiring all bills to be read on three several days be suspended, and it is hereby suspended, and this act shall take effect and be in force from and after its passage, and it is so enacted.

## TWENTIETH DAY.

Senate Chamber,  
Austin, Texas,

Friday, October 16, 1914.

The Senate met pursuant to adjournment, and was called to order by Senator Hudspeth, acting President Pro Tem.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Henderson.
Bailey of DeWitt.	Hudspeth.
Bailey of Harris.	Johnson.
Brelsford.	Lattimore.
Carter.	McNealus.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Harley.	Willacy.

Absent.

McGregor.	Warren.
Morrow.	

Absent—Excused.

Clark.	Nugent.
Darwin.	Westbrook.
Hall.	Wiley.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Taylor.

## STANDING COMMITTEE REPORTS.

Senator Carter, acting as chairman of Judiciary Committee No. 1, asked to

file a report from the committee on House bill No. 4.

Senator Watson made the point of order that the bill, having been reported by a less number than a majority of the committee, that the entire Senate had been added to Judiciary Committee No. 1, and that at the meeting of the committee there was only seven members of the committee present.

The Chair, Senator Hudspeth, held that since the same point of order had been passed on by President Pro Tem. Morrow he would refer the point of order to the entire Senate.

Question—Shall the point of order be sustained?

The roll was called and the Senate overruled the point of order by the following vote:

Yeas—8.

Bailey of Harris.	Terrell.
Cowell.	Watson.
Taylor.	Willacy.

Nays—10.

Astin.	Gibson.
Brelsford.	Greer.
Carter.	Johnson.
Collins.	Real.
Conner.	Townsend.

Present—Not Voting.

Henderson.	Hudspeth.
	Absent.

Morrow.	Warren.
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Absent—Excused.

Darwin.	Wiley.
Hall.	

PAIRED.

Senator Bailey of DeWitt (present), who would vote "yea," with Senator Clark (absent), who would vote "nay." Senator Harley (present), who would vote "nay," with Senator Nugent (absent), who would vote "yea."

Senator McNealus (present), who would vote "nay," with Senator McGregor (absent), who would vote "yea." Senator Lattimore (present), who would vote "yea," with Senator Westbrook (absent), who would vote "nay."

Senator Watson offered the following:

Be it resolved by the Senate, That on House bill No. 4 it is agreed and admitted that only seven members participated in the committee hearing on said bill by Judiciary Committee No. 1, and

S3—10

that notwithstanding said fact said report was accepted by the Senate over the protest of Senator Watson as appears from action of the Senate in refusing to sustain point of order against receiving said report.

The above was read and Senator Carter made the point of order that the resolution was not germane.

The Chair overruled the point of order.

Senator Watson moved that the statement be adopted.

Senator Collins moved to table the statement, which motion to table was adopted by the following vote:

Yeas—10.

Brelsford.	Johnson.
Carter.	McNealus.
Collins.	Real.
Conner.	Taylor.
Greer.	Townsend.

Nays—7.

Astin.	Terrell.
Bailey of Harris.	Watson.
Hudspeth.	Willacy.
Lattimore.	

Present—Not Voting.

Cowell.	Henderson.
Gibson.	

Absent.

McGregor.	Warren.
Morrow.	

Absent—Excused.

Darwin.	Westbrook.
Hall.	Wiley.

PAIRED.

Senator Bailey of DeWitt (present), who would vote "yea," with Senator Clark (absent), who would vote "nay." Senator Harley (present), who would vote "yea," with Senator Nugent (absent), who would vote "nay."

Senator Collins moved to expunge the statement above referred to and all reference to same from the Journal, which motion was lost by the following vote:

Yeas—6.

Carter.	Johnson.
Collins.	McNealus.
Greer.	Taylor.

Nays—11.

Astin.	Gibson.
Bailey of Harris.	Hudspeth.
Cowell.	Lattimore.



McGregor.            Townsend.  
Real.                Willacy.  
Terrell.

Present—Not Voting.

Brelsford.            Watson.  
Henderson.

Absent.

Bailey of DeWitt. Morrow.  
Conner.                Warren.

Absent—Excused.

Clark.                Westbrook.  
Darwin.               Wiley.  
Hall.

PAIRED.

Senator Harley (present), who would vote "yea," with Senator Nugent (absent), who would vote "nay."

The committee report on House bill No. 4 was then received and read. (See Appendix for the report.)

Morning call concluded.

#### SENATE BILL NO. 7.

(Pending Business.)

Action here recurred on the pending business, Senate bill No. 7, the question being on the substitute by Senator Lattimore for the bill and pending amendments.

By unanimous consent Senator Lattimore withdrew the substitute and offered the following in lieu thereof:

Strike out all after the enacting clause and insert the following:

"Section 1. No person, firm or corporation owning, leasing or controlling any farm lands in this State now in cultivation or which may be put in cultivation during the year 1915, shall wilfully plant, allow or permit to be planted in cotton an amount of said lands during 1915 more than such number of acres as shall equal 50 per cent of the quantity of such land which was planted in cotton during the year 1914, except as hereinafter provided.

"Sec. 2. Any person who, for himself or for another, whether such other person be a natural person or a corporation, who shall violate the terms of Section 1 of this act shall be deemed guilty of a misdemeanor, and upon conviction shall be fined in an amount equal to ten dollars per acre for each acre wilfully planted in cotton during said year in excess of the amount authorized to be planted under the terms

of this act; provided that the provision of this act shall be cumulative of the penalty provided for in Section 3 hereof.

"Sec. 3. Any corporation violating the provision of this act shall forfeit its charter, franchise or permit, as the case may be, and its corporate existence shall cease and determine; and, in addition thereto, any such corporation violating the provisions hereof shall forfeit and pay to the State of Texas any sum of money not exceeding five thousand dollars as penalties, which may be recovered in the name of the State of Texas, in any county where the offense is committed or where such corporation has an agent or office, or in Travis county; and it shall be the duty of the Attorney General on his own motion, and without leave of any court or judge, or the duty of any district or county attorney, under the direction of the Attorney General, to institute quo warranto proceedings and suit for penalties hereunder in any county having jurisdiction hereof, as above defined, for the forfeiture of the charter, franchise or permit, of any offending corporation and for the penalties herein provided against it.

"Sec. 4. This act being considered an emergency measure, it shall expire by limitation on December 31, 1915, except as to the recovery of penalties provided by this act, and that prosecutions begun under the terms of this act shall not abate by reason of the limitation hereinbefore provided for.

"Sec. 5. Should any provision of this act be declared unconstitutional, such unconstitutional part shall not affect the other provisions of this act, which shall remain in full force and effect.

"Sec. 6. The importance of this measure and that its enactment should become widely known throughout the State, and the fact that this measure is being enacted at a special session of the Legislature, creates an emergency and an imperative public necessity that the constitutional rule which requires that bills shall be read on three several days in each house be suspended, and that said rule is hereby suspended, and that this act take effect and be in force from and after its passage, and it is so enacted."

WARREN,  
WILLACY,  
BRELSFORD,  
LATTIMORE,  
HENDERSON,  
GIBSON.

Pending.

Senator Cowell offered the following amendment to the substitute:

Amend the substitute by adding at the end of Section 1, the following:

"Provided, that on every farm in this State, whether operated by owner or tenant, or manager, at least 25 acres may be planted in cotton during the year 1915, when the entire freehold or leasehold does not exceed 50 acres."

Pending.

(Senator Watson in the chair.)

### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator McNealus:

Resolved, That Senators Hudspeth and Hall be added to the Committee on Public Buildings and Grounds.

Senator Townsend offered the following amendment:

Amend by adding the names of Senators McGregor and Johnson to list of Senators added.

The amendment was read and adopted, and the resolution as amended, was adopted.

### SPECIAL COMMITTEE REPORT.

By Senator Bailey of DeWitt:

Honorable Claude B. Hudspeth, President Pro Tem. of the Senate, and Honorable Chester H. Terrell, Speaker of the House of Representatives:

We, your joint committee, appointed to arrange for the joint attendance of the Senate and House of Representatives upon the funeral services of the late Hon. Reuben R. Gaines, beg leave to report and suggest that all Senators, Representatives, officers and employees of the Senate and House of Representatives, assemble in the Hall of the House of Representatives at 2:30 p. m., on Friday, October 16, 1914, and proceed in a body to the Driskill Hotel, where the funeral services will be held.

Respectfully submitted,  
BAILEY of DeWitt.  
CONNER.

On the part of the Senate.  
MILLS.  
KIRBY.  
WORTHAM.

On the part of the House.

The report was read and adopted.

### RECESS.

Senator Hudspeth moved that the Senate adjourn until 10 o'clock tomorrow morning.

The Chair held that by the terms of Senate Concurrent Resolution No. 6 that when the Senate adjourns for the day that it will be necessary to adjourn until tomorrow morning.

Action recurred on the motion to adjourn until 10 o'clock tomorrow morning and the same was lost by the following vote, though no quorum was present:

Yeas—9.

Astin.	Hudspeth.
Bailey of DeWitt.	Johnson.
Bailey of Harris.	Townsend.
Cowell.	Watson.
Harley.	

Nays—9.

Brelsford.	Henderson.
Carter.	Lattimore.
Collins.	McNealus.
Gibson.	Willacy.
Greer.	

Absent.

Conner.	Taylor.
McGregor.	Terrell.
Morrow.	Warren.
Real.	

Absent—Excused.

Clark.	Nugent.
Darwin.	Westbrook.
Hall.	Wiley.

Pending further discussion, Senator Hudspeth moved that the Senate adjourn until 9:30 o'clock tomorrow morning, which motion was held in order.

The motion was lost by the following vote, no quorum present:

Yeas—8.

Bailey of DeWitt.	Harley.
Bailey of Harris.	Hudspeth.
Conner.	Watson.
Cowell.	Willacy.

Nays—9.

Brelsford.	Henderson.
Carter.	Johnson.
Collins.	McNealus.
Gibson.	Townsend.
Greer.	

Absent.

Astin.	Taylor.
McGregor.	Terrell.
Morrow.	Warren.

## Absent—Excused.

Clark.	Nugent.
Darwin.	Real.
Hall.	Westbrook.
Lattimore.	Wiley.

Senator Brelsford moved that the Senate recess until 8 o'clock tonight.

Senator Bailey of DeWitt made the point of order that the motion to recess was out of order by the terms of Senate Concurrent Resolution No. 6.

The Chair sustained the point of order.

Senator Brelsford appealed from the ruling of the Chair (Senator Watson), which appeal was seconded.

Senator Bailey of Harris was called to the chair and presided.

Question—Shall the Chair be sustained?

The Senate overruled the ruling of the Chair by the following vote, no quorum being present:

## Yeas—5.

Bailey of DeWitt.	Harley.
Bailey of Harris.	Willacy.
Cowell.	

## Nays—8.

Brelsford.	Greer.
Carter.	Henderson.
Collins.	McNealus.
Gibson.	Townsend.

## Present—Not Voting.

Lattimore.	Watson.
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## Absent.

Astin.	Morrow.
Conner.	Real.
Hudspeth.	Taylor.
Johnson.	Terrell.
McGregor.	Warren.

## Absent—Excused.

Clark.	Nugent.
Darwin.	Westbrook.
Hall.	Wiley.

Senator Brelsford moved that the Senate recess until 8 o'clock tonight on account of the funeral of Judge Gaines.

Senator Bailey of DeWitt moved, as a substitute, that the Senate adjourn until 9 o'clock tomorrow morning.

Action recurred on the longest time first, and the motion to adjourn until 9 o'clock tomorrow morning was lost by the following vote, no quorum voting:

## Yeas—7.

Bailey of DeWitt.	Lattimore.
Bailey of Harris.	Watson.
Cowell.	Willacy.
Harley.	

## Nays—8.

Brelsford.	Greer.
Carter.	Henderson.
Collins.	McNealus.
Gibson.	Townsend.

## Absent.

Astin.	Morrow.
Conner.	Real.
Hudspeth.	Taylor.
Johnson.	Terrell.
McGregor.	

## Absent—Excused.

Clark.	Warren.
Darwin.	Westbrook.
Hall.	Wiley.
Nugent.	

Action recurred on the motion to recess until 8 o'clock tonight, and the same was adopted by the following vote:

## Yeas—10.

Bailey of Harris.	Greer.
Brelsford.	Henderson.
Carter.	McNealus.
Collins.	Townsend.
Gibson.	Willacy.

## Nays—5.

Bailey of DeWitt.	Lattimore.
Cowell.	Watson.
Harley.	

## Absent.

Astin.	Morrow.
Conner.	Real.
Hudspeth.	Taylor.
Johnson.	Terrell.
McGregor.	

## Absent—Excused.

Clark.	Warren.
Darwin.	Westbrook.
Hall.	Wiley.
Nugent.	

Before the above vote was announced by the Chair Senator Watson made the point of order that under the Constitution, Section 10, Article 3, less than a quorum could only adjourn from day to day.

The Chair overruled the point of order and declared the Senate at recess until 8 o'clock tonight.

**AFTER RECESS.**

(Night Session.)

The Senate was called to order by Senator Hudspeth, acting President Pro Tem.

**SENATE BILL NO. 7.**

(Pending Business.)

Action recurred on the pending business, Senate bill No. 7, the question being on the amendment by Senator Cowell to the substitute by Senator Lattimore for the bill and pending amendments.

The amendment was amended with the following: "and when said freeholder or leaseholder actually resides upon, occupies and cultivates said land."

Pending discussion, Senator Lattimore moved to table the amendment to the substitute and called for the yeas and nays.

On the motion to table no quorum was present, the following being the vote:

Yeas—8.

Collins.	Lattimore.
Conner.	McNealus.
Henderson.	Terrell.

Nays—9.

Brelsford.	Hudspeth.
Carter.	McGregor.
Darwin.	Townsend.
Gibson.	Watson.
Harley.	

Present—Not Voting.

Bailey of Harris.

Absent.

Bailey of DeWitt.	Taylor.
Johnson.	Warren.
Morrow.	Willacy.
Real.	

Absent—Excused.

Clark.	Nugent.
Cowell.	Westbrook.
Hall.	Wiley.

**PAIRED.**

Senator Greer (present), who would vote "yea," with Senator Astin (absent), who would vote "nay."

There being no quorum present, Senator Lattimore moved that the Senate adjourn until 10 o'clock tomorrow morning.

Senator Brelsford moved that the Senate recess until 10 o'clock tomorrow

morning and that the Sergeant-at-Arms be instructed to wire all absentees to appear instantler.

Senator Watson made the point of order that in the absence of a quorum the Senate could only adjourn and require the attendance of absentees.

The Chair sustained the point of order.

Senator Lattimore amended his motion to adjourn, providing that the Sergeant-at-Arms be instructed to wire all absentees to appear at the earliest possible moment.

Senator Watson made the point of order that the instruction to the Sergeant-at-Arms would have to be made before the motion to adjourn.

The Chair held that the motion by Senator Lattimore was in order, but a division of the question was permissible.

Senator Watson called for a division of the question, and the Chair stated that he would put the question of adjournment first.

Senator Lattimore withdrew the motion to adjourn.

Senator Lattimore moved that the Sergeant-at-Arms be instructed to bring in the absentees, conforming the motion to the language of the Senate rules.

Senator Cowell moved, as a substitute, that the Sergeant-at-Arms be instructed to wire the absentees to report here at once.

The substitute motion was adopted and the motion, as substituted was then adopted.

**ADJOURNMENT.**

On motion of Senator Lattimore the Senate, at 9 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

**APPENDIX.****PETITIONS AND MEMORIALS.**

By Senator Henderson:

Petition from Jefferson, Texas, favoring reduction in cotton acreage.

**COMMITTEE REPORTS.**

(Majority Report.)

Committee Room,  
Austin, Texas, October 15, 1914.

Hon. W. C. Morrow, President Pro Tem.  
of the Senate.

Sir: A majority of your Judiciary

Committee No. 1, to whom was referred H. B. No. 4, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling, or operating a cotton seed oil mill, and of owning, controlling, or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill, from owning, controlling or operating, directly or indirectly, a public cotton gin in this State, providing suitable penalties, forfeitures, and procedure for enforcing this act, prohibiting any interference with or restriction of competition in the sale, handling or marketing of cotton seed, giving all corporations engaged in the business of operating cotton seed oil mills, that now own, control or operate public cotton gins nine months from the taking effect of this act, to sell or otherwise dispose of their gin properties and interests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cotton seed oil mill business to be in any manner engaged in or in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged, providing penalties, punishments, and procedure for all corporations and persons violating this act, and declaring an emergency."

Have had the same under consideration and I am instructed to report the same back to the Senate with the recommendation that it do pass.

CARTER, Acting Chairman.

(Minority Report.)

Committee Room,

Austin, Texas, October 15, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: A minority of your Judiciary Committee No. 1, to whom was referred H. B. No. 4, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling, or operating a cotton seed oil mill, and of owning, controlling or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill, from owning, controlling or operating, directly or indirectly, a public cotton gin in this State, providing suitable penalties, forfeitures, and pro-

cedure for enforcing this act, prohibiting any interference with or restriction of competition in the sale, handling or marketing of cotton seed, giving all corporations engaged in the business of operating cotton seed oil mills, that now own, control or operate public cotton gins nine months from the taking effect of this act, to sell or otherwise dispose of their gin properties and interests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning business or cotton seed oil mill business to be in any manner engaged in or in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged, providing penalties, punishments, and procedure for all corporations and persons violating this act, and declaring an emergency,"

Have had the same under consideration, and beg leave to report same back to the Senate with the recommendation that it do not pass.

WATSON.

## TWENTY-FIRST DAY.

Senate Chamber,  
Austin, Texas,

Saturday, October 17, 1914.

The Senate met pursuant to adjournment, and was called to order by Senator Hudspeth, Acting President Pro Tem.

Roll call, no quorum present, the following Senators answering to their names:

Bailey of Harris.	Henderson.
Brelsford.	Hudspeth.
Carter.	Lattimore.
Collins.	McGregor.
Conner.	McNealus.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Harley.	

Absent.

Astin.	Real.
Bailey of DeWitt.	Taylor.
Clark.	Warren.
Hall.	Westbrook.
Johnson.	Wiley.
Morrow.	Willacy.
Nugent.	

Absent—Excused.

Darwin.

## ADJOURNMENT.

There being no quorum present, on motion of Senator Cowell, the Senate adjourned until 2 o'clock tomorrow afternoon.

## TWENTY-SECOND DAY.

Senate Chamber,  
Austin, Texas,

Sunday, October 18, 1914.

The Senate met pursuant to adjournment, and was called to order by Senator Hudspeth, Acting President Pro Tem.

Roll call, no quorum present, the following Senators answering to their names:

Bailey of Harris.	Greer.
Brelsford.	Henderson.
Collins.	Hudspeth.
Conner.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.

Absent.

Astin.	McNealus.
Bailey of DeWitt.	Morrow.
Carter.	Nugent.
Clark.	Real.
Hall.	Warren.
Harley.	Watson.
Johnson.	Westbrook.
Lattimore.	Wiley.
McGregor.	Willacy.

Absent—Excused.

Darwin.

There being no quorum present, and after discussion, Senator Brelsford moved that the President of the Senate, through the Sergeant-at-Arms, be instructed to wire or telephone certain absentees that unless they appeared in attendance at once that process would be issued to compel their attendance. The motion placed in the hands of the Chair the authority to direct such methods as were necessary.

The motion was adopted.

## ADJOURNMENT.

On motion of Senator Cowell, the Sen-

ate, at 2:20 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

## TWENTY-THIRD DAY.

Senate Chamber,  
Austin, Texas,

Monday, October 19, 1914.

The Senate met pursuant to adjournment, and was called to order by Senator Hudspeth, Acting President Pro Tem.

Roll call, no quorum present, the following Senators answering to their names:

Astin.	Henderson.
Bailey of Harris.	Hudspeth.
Brelsford.	Lattimore.
Collins.	Nugent.
Conner.	Real.
Cowell.	Taylor.
Gibson.	Terrell.
Greer.	Townsend.
Hall.	Watson.
Harley.	Wiley.

Absent.

Bailey of DeWitt.	McNealus.
Carter.	Morrow.
Clark.	Warren.
Johnson.	Willacy.
McGregor.	

Absent—Excused.

Darwin.

Westbrook.

On motion of Senator Gibson, the Senate was at ease subject to call of the Chair.

At 10:50 o'clock a. m., the Senate was called to order, a quorum being present, the following Senators answering to their names:

Astin.	Hudspeth.
Bailey of Harris.	Lattimore.
Brelsford.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Hall.	Wiley.
Harley.	Willacy.
Henderson.	

Absent.

Bailey of DeWitt.	McGregor.
Carter.	McNealus.
Clark.	Morrow.
Johnson.	

Absent—Excused.

Darwin.  
Warren.

Westbrook.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Taylor.

## EXCUSED.

On account of important business:

Senator Bailey of DeWitt, for non-attendance for Saturday and today, on motion of Senator Harley.

Senator Taylor, for non-attendance on Saturday, on motion of Senator Collins.

Senator Carter, for non-attendance on yesterday, today and indefinitely, on motion of Senator Gibson.

Senator Astin, for non-attendance on Saturday and yesterday, on motion of Senator Terrell.

Senator Real, for non-attendance on Saturday and yesterday, on motion of Senator Cowell.

Senator McNealus, for non-attendance yesterday and today, on motion of Senator Harley.

Senator Harley, for non-attendance on yesterday, on motion of Senator Greer.

Senator Lattimore, for non-attendance on yesterday, on motion of Senator Henderson.

Senator Nugent, for non-attendance on yesterday, on motion of Senator Lattimore.

Senator Warren, for non-attendance on Saturday, yesterday and today, on motion of Senator Harley.

## RESIGNATION OF PAGE.

Hon. Claude B. Hudspeth, President Pro Tem. of the Senate.

Sir: Desiring to return home for the purpose of entering school, I beg leave to offer my resignation as page in the Senate, to take effect at once. I wish to thank the officers and members of the Senate for their great kindness to me through the two sessions in which I have had the privilege of serving.

GLENN WEBB.

The above resignation was accepted.

## SIMPLE RESOLUTION.

By Senator Collins:

Whereas, We believe the United States

Congress had the power to relieve a very stringent condition existing in the cotton-growing section of the nation by the method proposed by certain Southern members of that body, which method was to issue bonds to buy five million bales of the cotton of the nation, and providing a tax on the cotton to be produced in 1915 and 1916; and

Whereas, We believe the nation would be taking absolutely no risk of loss in the method proposed and at the same time could have brought so much happiness to those of humble and lowly citizenship of this nation; therefore, be it

Resolved by the Senate of Texas, That we most heartily commend the splendid and patriotic spirit of those Southern members of Congress who stood up so nobly in the interest of the homes in the Southland, and we especially commend the noble and philanthropic spirit of those splendid men who forgot section and political affiliation and fought with their Southern brethren to sustain the well-being of a section of our nation from which they have no hope of political reward. Be it further

Resolved, That we view with much regret that many of our Southern representatives, less mindful of the duty they owe to those who have trusted them with power, stopped their ears to the cry of their neighbors and constituents and voted against the relief measure offered in the interest of the cotton-growing section.

COLLINS.

HUDSPETH.

The resolution was read, and

Senator Wiley moved to table same, which motion was lost by the following vote:

Yeas—3.

Bailey of Harris. Wiley.  
Hall.

Nays—13.

Brelsford.	Lattimore.
Collins.	Taylor.
Conner.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Henderson.	Willacy.
Hudspeth.	

Present—Not Voting.

Astin.	Nugent.
Cowell.	Real.
Harley.	

Absent.

Clark.                   McGregor.  
Johnson.               Morrow.

Absent—Excused.

Bailey of DeWitt.   McNealus.  
Carter.               Warren.  
Darwin.               Westbrook.

Senator Watson offered the following amendment:

Amend the resolution by striking out all of the last paragraph of the resolution.

Senator Lattimore moved the previous question on the amendment and resolution, which motion, being duly seconded, was so ordered.

The amendment was lost.

The resolution was then adopted by the following vote:

Yeas—13.

Brelsford.           Lattimore.  
Collins.             Nugent.  
Conner.             Taylor.  
Gibson.             Terrell.  
Greer.               Townsend.  
Henderson.         Willacy.  
Hudspeth.

Nays—5.

Astin.               Watson.  
Bailey of Harris.   Wiley.  
Hall.

Present—Not Voting.

Cowell.             Real.  
Harley.

Absent.

Clark.               McGregor.  
Johnson.           Morrow.

Absent—Excused.

Bailey of DeWitt.   McNealus.  
Carter.               Warren.  
Darwin.               Westbrook.

#### SENATE CONCURRENT RESOLUTION NO. 7.

By Senator Watson:

Be it resolved by the Senate, the House of Representatives concurring, That the Third Called Session of the Thirty-third Legislature of the State of Texas adjourn sine die Tuesday, October 20, 1914, at 12 o'clock noon.

Senator Brelsford moved to table the resolution, and

Senator Lattimore moved, as a sub-

stitute, that the resolution be laid on the table subject to call.

The substitute motion was adopted.

Pending the further calling of the "Order of Business," the morning call was concluded.

Senator Watson here called up from the President's table S. C. R. No. 7.

Senator Lattimore moved that the Senate recess until 2 o'clock today.

The motion was lost by the following vote:

Yeas—0.

Brelsford.           Henderson.  
Collins.             Lattimore.  
Conner.             Taylor.  
Gibson.             Willacy.  
Greer.

Nays—11.

Astin.               Nugent.  
Bailey of Harris.   Real.  
Cowell.             Townsend.  
Hall.                Watson.  
Harley.             Wiley.  
Hudspeth.

Present—Not Voting.

Terrell.

Absent.

Clark.               McGregor.  
Johnson.           Morrow.

Absent—Excused.

Bailey of DeWitt.   McNealus.  
Carter.               Warren.  
Darwin.               Westbrook.

#### SENATE CONCURRENT RESOLUTION NO. 7.

Action recurred on S. C. R. No. 7, called up from the President's table by Senator Watson, and which provided for sine die adjournment for tomorrow noon.

The resolution was read, and lost by the following vote:

Yeas—8.

Astin.               Nugent.  
Bailey of Harris.   Real.  
Cowell.             Watson.  
Hudspeth.           Wiley.

Nays—13.

Brelsford.           Hall.  
Collins.             Harley.  
Conner.             Henderson.  
Gibson.             Lattimore.  
Greer.               Taylor.



Terrell.  
Townsend.

Willacy.

Absent.

Clark.  
Johnson.  
McGregor.

Morrow.  
Warren.

Absent—Excused.

Bailey of DeWitt. McNealus.  
Carter. Westbrook.  
Darwin.

# RECESS.

Senator Henderson moved that the Senate recess until 2:30 o'clock today, which motion was adopted by the following vote:

Yeas—15.

Brelsford.	Henderson.
Collins.	Lattimore.
Conner.	Nugent.
Cowell.	Real.
Gibson.	Taylor.
Greer.	Terrell.
Hall.	Willacy.
Harley.	

Nays—6.

Astin.	Townsend.
Bailey of Harris.	Watson.
Hudspeth.	Wiley.

Absent.

Clark.	Morrow.
Johnson.	Warren.
McGregor.	

Absent—Excused.

Bailey of DeWitt.	McNealus.
Carter.	Westbrook.
Darwin.	

# AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by Senator Hudspeth, Acting President Pro Tem.

## SENATE BILL NO. 7.

(Pending Business.)

Action recurred on the pending business, S. B. No. 7, the cotton acreage bill, the question being on the motion to table the amendment by Senator Cowell to the substitute for the pend-

ing amendment and the bill as offered by Senator Lattimore. (See Friday's Journal for the proceedings.)

The motion to table the amendment to the substitute was withdrawn, the Senate having adjourned Friday night with the motion to table pending.

Senator Cowell, by unanimous consent, withdrew the amendment to the substitute and offered the following amendment to the substitute (by Senator Lattimore for the amendment by Senator Brelsford et al.) and the amendment to the amendment. (See Thursday's Journal for the Brelsford amendment, which is a substitute for the bill; also the amendment by Johnson to the amendment; and see Friday's Journal for the substitute by Lattimore for the amendment.)

Following is the Cowell amendment to the substitute for the pending amendments:

Amend the substitute by adding at the end of Section 1 the following: "Provided, that any head of a family who himself resides upon and cultivates a farm under a freehold or leasehold tenure, in which the cultivated land for the year 1915 does not exceed fifty acres, may be permitted to plant not to exceed 25 acres in cotton during the year 1915."

(Senator Willacy in the chair.)

Pending discussion, Senator Collins moved to table the amendment to the substitute, which motion to table was adopted by the following vote:

Yeas—15.

Astin.	Hudspeth.
Bailey of Harris.	Lattimore.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Hall.	Terrell.
Harley.	Watson.
Henderson.	

Nays—6.

Brelsford.	Greer.
Cowell.	Townsend.
Gibson.	Willacy.

Absent.

Bailey of DeWitt.	McGregor.
Johnson.	Morrow.

Absent—Excused.

Carter.	McNealus.
Darwin.	Warren.

## PAIRED.

Senator Wiley (present), who would vote "yea," with Senator Westbrook (absent), who would vote "nay."

Senator Cowell offered the following amendment to the substitute for the pending amendment:

Amend the substitute by adding at the end of Section 1 the following: "Provided, that the provisions of this act shall not apply to any head of a family, either owner or tenant, cultivating 20 acres of cotton or less."

Senator Gibson moved to table the amendment to the substitute, which motion to table was adopted by the following vote:

Yeas—13.

Astin.	Henderson.
Bailey of Harris.	Hudspeth.
Clark.	Nugent.
Collins.	Real.
Conner.	Townsend.
Hall.	Watson.
Harley.	

Nays—8.

Brelsford.	Lattimore.
Cowell.	Taylor.
Gibson.	Terrell.
Greer.	Willacy.

Absent.

Bailey of DeWitt.	Morrow.
Johnson.	Warren.
McGregor.	

Absent—Excused.

Carter.	McNealus.
Darwin.	

## PAIRED.

Senator Wiley (present), who would vote "yea," with Senator Westbrook (absent), who would vote "nay."

Senator Cowell offered the following substitute for the pending amendment:

Amend the substitute by adding at the end of Section 1 the following: "Provided, that the provisions of this act shall not apply to any head of a family, either owner or tenant, producing less than 4000 pounds of lint cotton."

Senator Bailey of Harris moved to table the above amendment to the substitute for the pending amendment, which motion to table was adopted.

Senator Lattimore offered the following amendment to the substitute for the pending amendment:

Amend the substitute by adding Section 2a:

"Sec. 2a. Any person, the head of a family, who acquires any farm land in this State after the passage of this act and before May 1, 1915, upon which no cotton was planted in 1914, shall be allowed to plant the same percentage of cotton, under the same conditions and penalties as provided in Section 1 of this act."

Senator Bailey of Harris moved that the above amendment be adopted, and

Senator Clark moved to table same.

The motion to table was lost by the following vote:

Yeas—5.

Astin.	Harley.
Clark.	Hudspeth.
Hall.	

Nays—18.

Bailey of Harris.	McNealus.
Brelsford.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Watson.
Henderson.	Wiley.
Lattimore.	Willacy.

Absent.

Johnson.	Morrow.
McGregor.	Warren.

Absent—Excused.

Bailey of DeWitt.	Darwin.
Carter.	Westbrook.

Action recurred on the amendment by Senator Lattimore to the substitute for the amendment, and the same was adopted.

Senator Astin offered the following amendment to the substitute for the pending amendments:

Amend the substitute by adding the following at end of Section 4 thereof, to wit: "Provided, that any citizen or citizens may bring suit or suits against the State of Texas to test the validity of this act by permanent and temporary injunction against the Attorney General or any other officer of this State authorized to enforce this act."

Senator Bailey of Harris moved to table the above amendment to the substitute.

Senator Henderson made the point of order on the amendment that the amendment was not germane, since the citizens of the State already had the rights given them under the amendment.

The Chair, Senator Willacy, overruled

the point of order, holding that the State could not be sued except by permission of the Legislature.

Pending discussion action recurred on the motion to table the amendment to the substitute and the same was adopted by the following vote:

Yeas—12.

Bailey of Harris.	Greer.
Brelsford.	Henderson.
Collins.	Lattimore.
Conner.	McNealus.
Cowell.	Taylor.
Gibson.	Willacy.

Nays—10.

Astin.	Nugent.
Clark.	Real.
Hall.	Terrell.
Harley.	Townsend.
Hudspeth.	Watson.

Absent.

Johnson.	Morrow.
McGregor.	Warren.

Absent—Excused.

Bailey of DeWitt.	Darwin.
Carter.	

PAIRED.

Senator Wiley (present), who would vote "nay," with Senator Westbrook (absent), who would vote "yea."

Senator Nugent offered the following amendment to the substitute for the amendments:

Amend the substitute by adding between Sections 5 and 6, Section 5a, as follows:

"Sec. 5a. Any citizen of this State who produced any cotton in 1914 shall have the right to file suit against the Attorney General of this State as defendant in any district court of Travis county, Texas, upon any attempt by the Attorney General to enforce this act, to test the constitutionality of this act, and for a permanent and temporary injunction, provided only one suit shall be filed; provided further, that any other citizen who produced any cotton in 1914 shall have the right to intervene in said suit in person and by counsel, and provided said suit shall have preference in all the courts of this State over all other cases."

NUGENT,  
HUDSPETH.

The amendment was read and Senator Bailey of Harris moved to table same.

Senator Bailey of Harris made the point of order that the amendment being, in effect, the same as the amendment by Senator Astin, which had been voted down by the Senate.

The Chair, Senator Willacy, overruled the point of order, holding that while the two amendments were, in a way, seeking the same result, that they provided distinctly different procedure.

Action recurred on the motion to table the amendment to the substitute, and the same was adopted by the following vote:

Yeas—13.

Bailey of Harris.	Henderson.
Brelsford.	Lattimore.
Collins.	McNealus.
Conner.	Real.
Cowell.	Taylor.
Gibson.	Willacy.
Greer.	

Nays—9.

Astin.	Nugent.
Clark.	Terrell.
Hall.	Townsend.
Harley.	Watson.
Hudspeth.	

Absent.

Johnson.	Morrow.
McGregor.	Warren.

Absent—Excused.

Bailey of DeWitt.	Darwin.
Carter.	

PAIRED.

Senator Wiley (present), who would vote "nay," with Senator Westbrook (absent), who would vote "yea."

(Senator Hudspeth, Acting President Pro Tem., in the chair.)

## SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator Willacy:

Whereas, Senator Jim Terrell, ex-member of the Senate, but always a member of good fellowship, is at the door of the Senate; therefore, be it

Resolved, That the said Senator "Jim" be invited to address the Senate.

HUDSPETH.  
WILLACY.

The above resolution was read and adopted.

Senators Willacy, Watson and Cowell were appointed to escort ex-Senator Ter-

rell to the President's stand, and he addressed the Senate briefly.

### SENATE BILL NO. 7.

(Pending Business.)

Action recurred on the pending business, S. B. No. 7, the question being on the substitute for the pending amendment.

Senator Clark moved to table the substitute and the pending amendments, and Senator Brelsford moved that the Senate adjourn until 10 o'clock tomorrow morning, which motion was adopted by the following vote:

#### Yeas—12.

Brelsford.	Henderson.
Collins.	Lattimore.
Conner.	McNealus.
Gibson.	Taylor.
Greer.	Townsend.
Hall.	Willacy.

#### Nays—11.

Astin.	Nugent.
Bailey of Harris.	Real.
Clark.	Terrell.
Cowell.	Watson.
Harley.	Wiley.
Hudspeth.	

Absent.

Bailey of DeWitt.	McGregor.
Johnson.	Morrow.

Absent—Excused.

Carter.	Warren.
Darwin.	Westbrook.

### APPENDIX.

#### PETITIONS AND MEMORIALS.

By Senator Conner:

Telegrams from Coleman and Ballinger, favoring cotton reduction acreage legislation.

By the Chair:

Petition from the Austin Trades Council favoring cotton acreage reduction.

By Senator Greer:

Letter from C. R. Ham, Canton, Texas, reporting mass meeting of that

section favoring cotton acreage reduction legislation.

By Senator Brelsford:

Petitions from Limestone and Hunt counties addressed to Governor Colquitt, and telegrams from Lamesa, Cisco, Eastland and Gause favoring cotton acreage reduction legislation.

By Senator Harley:

Telegram from New Braunfels opposing cotton oil mill legislation at this time; asking that it go over to the Regular Session.

### TWENTY-FOURTH DAY.

Senate Chamber,  
Austin, Texas,

Tuesday, October 20, 1914.

The Senate met pursuant to adjournment, and was called to order by Senator Hudspeth, Acting President Pro Tem.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	Hudspeth.
Bailey of Harris.	Lattimore.
Brelsford.	McNealus.
Clark.	Nugent.
Collins.	Real.
Conner.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Hall.	Watson.
Harley.	Wiley.
Henderson.	Willacy.

Absent.

McGregor.	Morrow.
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Absent—Excused.

Bailey of DeWitt.	Johnson.
Carter.	Westbrook.
Darwin.	

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Taylor.

### EXCUSED.

On account of important business: Senator Bailey of DeWitt, for today, on motion of Senator Hall.

Senator Johnson, for non-attendance on last Saturday, Sunday, Monday and today, on motion of Senator Cowell.

### PETITIONS AND MEMORIALS.

By Senator McNealus:

Letter from Shuttles Bros. & Lewis, Dallas, favoring cotton reduction bill.

By Senator Henderson:

Telegram from R. S. Allday, Atlanta, Texas, favoring cotton acreage reduction.

By the Chair:

Petition from Whitney, addressed to Governor Colquitt, favoring cotton acreage reduction.

(Senator Real in the chair.)

### SENATE CONCURRENT RESOLUTION NO. 8.

By Senator Nugent:

S. C. R. No. 8: Be it resolved by the Senate, the House of Representatives concurring, That the Third Called Session of the Thirty-third Legislature of the State of Texas adjourn sine die at 12 o'clock, noon, Wednesday, October 21, 1914.

The resolution was read, and

Senator Wiley offered the following amendment:

Amend the resolution as follows: Strike out "Wednesday, 12 o'clock, noon," and insert "Tuesday, 12 o'clock, noon."

Senator Lattimore moved to lay the resolution and amendment on the table subject to call.

### SIMPLE RESOLUTION.

(By Unanimous Consent.)

By Senator McNealus:

Resolved, That the Senate go into executive session at 3 o'clock p. m. on Wednesday, October 21, 1914, to consider the confirmation of nominations made by the Governor.

### MESSAGE FROM THE HOUSE.

Hall of the House of Representatives, Austin, Texas, October 20, 1914.

Hon. W. C. Morrow, President Pro Tem. of the Senate.

Sir: I am directed by the House to

inform the Senate that the House failed to engross House bill No. 9, "The Cotton Acreage Reduction Bill," by the following vote: yeas 13, nays 84.

Respectfully,

W. R. LONG,

Chief Clerk, House of Representatives.

### SIMPLE RESOLUTION.

(Pending Business.)

Action recurred on the pending simple resolution by Senator McNealus.

Senator Wiley made the point of order that the resolution was out of order, since there was nothing before the Senate requiring the fixing of a time for executive session.

The Chair, Senator Real, sustained the point of order.

### SENATE CONCURRENT RESOLUTION NO. 8.

(Pending Business.)

Action recurred on the pending business, Senate Concurrent Resolution No. 8, and Senator Wiley asked unanimous consent to change his amendment to the resolution to read "six o'clock p. m. today."

There was objection, and Senator Watson moved that Senator Wiley be permitted to change the amendment, which motion was lost by the following vote:

Yeas—11.

Astin.	Terrell.
Bailey of Harris.	Townsend.
Cowell.	Watson.
Hudspeth.	Wiley.
Nugent.	Willacy.
Real.	

Nays—13.

Brelsford.	Harley.
Clark.	Henderson.
Collins.	Lattimore.
Conner.	McNealus.
Gibson.	Taylor.
Greer.	Warren.
Hall.	

Absent.

McGregor. Morrow.

Absent—Excused.

Bailey of DeWitt.	Johnson.
Carter.	Westbrook.
Darwin.	

Action then recurred on the motion to lay the resolution and amendment on the table subject to call, which motion was adopted by the following vote:

## Yeas—15.

Brelsford.	Henderson.
Clark.	Lattimore.
Collins.	McNealus.
Conner.	Real.
Gibson.	Taylor.
Greer.	Townsend.
Hall.	Warren.
Harley.	

## Nays—9.

Astin.	Terrell.
Bailey of Harris.	Watson.
Cowell.	Wiley.
Hudspeth.	Willacy.
Nugent.	

## Absent.

Johnson.	Morrow.
McGregor.	

## Absent—Excused.

Bailey of DeWitt.	Darwin.
Carter.	Westbrook.

Morning call concluded.

## REGULAR ORDER OF BUSINESS.

Senator Collins called for the pending business, Senate bill No. 4, in that the adverse action by the House on the cotton acreage reduction bill, on last night, would preclude the Senate taking further action on Senate bill No. 7, dealing with the same subject matter.

Senator Terrell made the point of order that S. B. No. 4 could not be considered at this time because the Senate adopted a resolution several days ago providing that Senate bill No. 7 be considered until disposed of and that Senate bill No. 7 had not been disposed of, etc.

The Chair overruled the point of order.

## SENATE CONCURRENT RESOLUTION NO. 8.

Senator Nugent called up, from the President's table, Senate Concurrent Resolution No. 8, providing for sine die adjournment.

Action recurred on the amendment to the resolution by Senator Wiley, and the same was lost by the following vote:

## Yeas—7.

Astin.	Nugent.
Bailey of Harris.	Watson.
Cowell.	Wiley.
Hudspeth.	

## Nays—16.

Brelsford.	Lattimore.
Clark.	McNealus.
Collins.	Real.
Conner.	Taylor.
Gibson.	Terrell.
Greer.	Townsend.
Hall.	Warren.
Henderson.	Willacy.

## Absent.

Harley.	Morrow.
McGregor.	

## Absent—Excused.

Bailey of DeWitt.	Johnson.
Carter.	Westbrook.
Darwin.	

Action recurred on the resolution, and the same was adopted by the following vote:

## Yeas—12.

Astin.	Nugent.
Bailey of Harris.	Real.
Cowell.	Terrell.
Hall.	Watson.
Henderson.	Wiley.
Hudspeth.	Willacy.

## Nays—11.

Brelsford.	Lattimore.
Clark.	McNealus.
Collins.	Taylor.
Conner.	Townsend.
Gibson.	Warren.
Greer.	

## Absent.

Harley.	Morrow.
McGregor.	

## Absent—Excused.

Bailey of DeWitt.	Johnson.
Carter.	Westbrook.
Darwin.	

Senator Hudspeth moved to reconsider the vote by which the resolution was adopted and to table that motion.

Senator Lattimore moved, as a substitute, to reconsider the vote by which the resolution was adopted and spread that motion on the Journal.

Action recurred on the substitute mo-

tion first, and the same was lost by the following vote:

## Yeas—12.

Brelsford.	Harley.
Clark.	Lattimore.
Collins.	McNealus.
Conner.	Taylor.
Gibson.	Townsend.
Greer.	Warren.

## Nays—12.

Astin.	Nugent.
Bailey of Harris.	Real.
Cowell.	Terrell.
Hall.	Watson.
Henderson.	Wiley.
Hudspeth.	Willacy.

## Absent.

McGregor.	Morrow.
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## Absent—Excused.

Bailey of DeWitt.	Johnson.
Carter.	Westbrook.
Darwin.	

Before the above vote was announced Senator Lattimore asked recognition to make a statement, but was not permitted to do so on a point of order that the vote had not been announced.

Action recurred on the motion to reconsider and table the vote by which the resolution was adopted.

Senator Lattimore moved to rescind the vote by which the resolution was adopted, stating that an error had been made in recording the vote of Senator Harley, who was recorded as absent, when in fact he was present and voted "nay," which would have changed the result, but later withdrew the motion.

Senator McNealus moved that the vote be corrected to show Senator Harley as present and voting "nay" on the resolution, but the motion was ruled out of order on a point of order that Senator Harley was not in the Chamber at the time the vote was taken.

Action recurred on the motion to reconsider the vote by which Senate Concurrent Resolution No. 8 was adopted and lay the motion on the table, which motion was lost by the following vote:

## Yeas—11.

Astin.	Hudspeth.
Bailey of Harris.	Nugent.
Cowell.	Real.
Hall.	Terrell.

Watson.
Wiley.

Willacy.
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## Nays—13.

Brelsford.	Henderson.
Clark.	Lattimore.
Collins.	McNealus.
Conner.	Taylor.
Gibson.	Townsend.
Greer.	Warren.
Harley.	

## Absent.

Johnson.	Morrow.
McGregor.	

## Present—Not Voting.

Bailey of DeWitt.	Darwin.
Carter.	Westbrook.

## SENATE BILL NO. 7.

The Chair held that Senate bill No. 7 was pending business, and Senator Terrell moved to suspend the pending business and take up, out of its order, Senate bill No. 12.

Senator Collins made the point of order that a bill of the same subject matter had been adversely acted on by the House on yesterday, and that under the Constitution no further legislation could be had on that subject.

The Chair overruled the point of order.

Action then recurred on the pending motion to suspend the pending business, Senate bill No. 7, and take up, out of its order, Senate bill No. 12.

Senator Clark moved to table the motion to suspend the pending business, which motion to table was lost by the following vote:

## Yeas—10.

Brelsford.	Greer.
Clark.	Harley.
Collins.	Henderson.
Cowell.	Lattimore.
Gibson.	McNealus.

## Nays—11.

Astin.	Terrell.
Bailey of Harris.	Townsend.
Hall.	Warren.
Hudspeth.	Watson.
Nugent.	Wiley.
Real.	

## Absent.

Johnson.	Morrow.
McGregor.	

Absent—Excused.

Darwin. Willacy.  
Westbrook.

PAIRED.

Senator Cowell (present), who would vote "nay," with Senator Carter (absent), who would vote "yea."

Senator Taylor (present), who would vote "yea," with Senator Bailey of DeWitt (absent), who would vote "nay."

(Senator Hudspeth in the chair.)

Action then recurred on the motion to suspend the pending business, Senate bill No. 7, and take up Senate bill No. 12, and the motion was lost by the following vote, a two-thirds vote being necessary:

Yeas—12.

Astin.	Real.
Bailey of Harris.	Terrell.
Hall.	Townsend.
Hudspeth.	Warren.
McNealus.	Watson.
Nugent.	Willacy.

Nays—10.

Brelsford.	Greer.
Clark.	Harley.
Collins.	Henderson.
Conner.	Lattimore.
Gibson.	Wiley.

Absent.

Johnson. Morrow.  
McGregor.

Absent—Excused.

Darwin. Westbrook.  
PAIRED.

Senator Taylor (present), who would vote "nay," with Senator Bailey of DeWitt (absent), who would vote "yea."

Senator Cowell (present), who would vote "yea," with Senator Carter (absent), who would vote "nay."

Senator Watson asked to offer the following motion, which the Chair held was in order:

I move that Section 9 of Rule 61 be abrogated.

WATSON.

The motion was read, and

Senator Collins moved that it be referred to the Committee on Rules.

(Senator Nugent in the chair.)

Senator Terrell moved to table the

motion to refer the motion to the Committee on Rules.

Senator Conner made the point of order that the motion would have to lie over for one day.

Pending discussion Senator Watson asked to offer an amendment to the motion, but the same was held out of order on a point of order.

Senator Watson then asked to offer a substitute for the original motion.

Senator Lattimore made the point of order that the substitute was out of order so long as the motion to refer the motion to the Committee on Rules was pending.

The Chair, Senator Nugent, held that the substitute for the motion was in order.

Following is the substitute motion:

We move as a substitute for the pending motion that subdivision 2 of Section 9 of Rule 61 be abrogated.

WATSON.  
TERRELL.

Senator Collins moved that the substitute be referred to the Committee on Rules.

Senator Terrell moved to table the motion to refer, which motion was lost by the following vote:

Yeas—10.

Astin.	Real.
Bailey of Harris.	Terrell.
Hudspeth.	Warren.
McNealus.	Watson.
Nugent.	Willacy.

Nays—12.

Brelsford.	Hall.
Clark.	Harley.
Collins.	Henderson.
Conner.	Lattimore.
Gibson.	Townsend.
Greer.	Wiley.

Absent.

Johnson. Morrow.  
McGregor. Taylor.

Absent—Excused.

Darwin. Westbrook.

PAIRED.

Senator Taylor (present), who would vote "nay," with Senator Bailey of DeWitt (absent), who would vote "yea."

Senator Cowell (present), who would vote "yea," with Senator Carter (absent), who would vote "nay."



Action recurred on the motion to refer the motion by Senator Watson to the Committee on Rules, and the same was adopted by the following vote:

## Yeas—12.

Brelsford.	Hall.
Clark.	Harley.
Collins.	Henderson.
Conner.	Lattimore.
Gibson.	Townsend.
Greer.	Wiley.

## Nays—10.

Astin.	Real.
Bailey of Harris.	Terrell.
Hudspeth.	Warren.
McNealus.	Watson.
Nugent.	Willacy.

## Absent.

Johnson.	Morrow.
McGregor.	

## Absent—Excused.

Darwin.	Westbrook.
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## PAIRED.

Senator Taylor (present), who would vote "yea," with Senator Bailey of DeWitt (absent), who would vote "nay."

Senator Cowell (present), who would vote "nay," with Senator Carter (absent), who would vote "yea."

Action then recurred on the pending business, Senate bill No. 7, and the Chair, Senator Nugent, so announced.

Senator Lattimore, quoting Senate Rule 22a, providing that when any Senate bill shall be reached on the calendar, or shall be before the Senate for consideration, it shall be the duty of the President to give the place of such bill on the calendar to any House bill which has been referred to and reported from a committee of the Senate, containing the same subject, or to lay such House bill before the Senate to be considered in lieu of such bill, and called for the consideration of House bill No. 4 on the same subject.

Senator Watson called for the reading of Senate bill No. 7 and House bill No. 4 for the purpose of determining if the two bills were of the same subject matter.

Pending the reading of the bills,

Senator Gibson moved that further reading of the bill be dispensed with, which motion was adopted by the following vote:

## Yeas—16.

Astin.	Harley.
Brelsford.	Henderson.
Clark.	Lattimore.
Collins.	McNealus.
Conner.	Real.
Gibson.	Townsend.
Greer.	Warren.
Hall.	Wiley.

## Nays—6.

Bailey of Harris.	Terrell.
Hudspeth.	Watson.
Nugent.	Willacy.

## Absent.

Cowell.	McGregor.
Johnson.	Morrow.

## Absent—Excused.

Carter.	Westbrook.
Darwin.	

## PAIRED.

Senator Taylor (present), who would vote "yea," with Senator Bailey of DeWitt (absent), who would vote "nay."

## HOUSE BILL NO. 4.

The Chair held that, under Rule 22a, House bill No. 4 would be the regular order in lieu of Senate bill No. 5, on the same subject, and

The Chair laid before the Senate, on second reading,

H. B. No. 4, A bill to be entitled "An Act prohibiting the operation of a corporation for the dual purpose of owning, controlling, or operating a cotton seed oil mill, and of owning, controlling, or operating a public cotton gin; also prohibiting a corporation chartered for the purpose of operating a cotton seed oil mill, from owning, controlling, or operating, directly or indirectly, a public cotton gin in this State, providing suitable penalties, forfeitures and procedure for enforcing this act, prohibiting any interference with or restriction of competition in the sale, handling or marketing of cotton seed, giving all corporations engaged in the business of operating cotton seed oil mills that now own, control, or operate public cotton gins, nine months from the taking effect of this act, to sell or otherwise dispose of their gin properties and interests, punishing domestic and foreign corporations having no legal authority or permit to do a ginning or cotton seed oil mill business to be in any manner

engaged in or in any manner interested therein in this State, or to own stock or any interest in any corporation, foreign or domestic, or joint stock association or partnership, so engaged, providing penalties, punishments, and procedure for all corporations and persons violating this act, and declaring an emergency."

Senator Watson called for the reading of the bill in full, and pending reading of same,

Senator McNealus moved that the further reading be dispensed with.

Senator Hudspeth made the point of order that reading of a bill was a constitutional right any member had, and the Chair sustained same.

#### ADJOURNMENT.

Pending the reading of the bill, at 12 o'clock, noon,

Senator Terrell moved that the Senate recess until 2 o'clock today.

Senator McNealus moved, as a substitute, that the Senate adjourn until 10 o'clock tomorrow morning.

Action occurred on the longest time first, and the motion to adjourn until 10 o'clock tomorrow morning was declared adopted.

#### TWENTY-FIFTH DAY.

Senate Chamber,  
Austin, Texas,

Wednesday, October 21, 1914.

The Senate met pursuant to adjournment, and was called to order by Senator Hudspeth, Acting President Pro Tem.

Roll call, a quorum being present, the following Senators answering to their names:

Astin.	McNealus.
Bailey of Harris.	Nugent.
Brelsford.	Real.
Collins.	Taylor.
Cowell.	Terrell.
Gibson.	Townsend.
Greer.	Warren.
Hall.	Watson.
Harley.	Wiley.
Henderson.	Willacy.
Hudspeth.	

Absent,

Clark.	Lattimore.
Conner.	McGregor.
Johnson.	Morrow.

Absent—Excused.

Bailey of DeWitt. Darwin.  
Carter. Westbrook.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with, on motion of Senator Taylor.

#### EXCUSED.

On account of important business:

Senator Clark, for today, on motion of Senator McNealus.

Senator Bailey of DeWitt, for today, on motion of Senator Hall.

#### SIMPLE RESOLUTION.

By Senator Collins:

Whereas, The Third Called Session of the Thirty-third Legislature of the State of Texas will adjourn sine die at high noon on 22nd day of October, 1914, and,

Whereas, It is necessary to provide for the winding up of the affairs of the Senate of this Legislature, and it is necessary to have certain employes retained for certain necessary business in winding up the affairs of this session, and the Second Called Session, after the membership has departed for their homes; therefore, be it

Resolved, That a committee of three be appointed by the President of the Senate of the Third Called Session of the Thirty-third Legislature and to determine what post session clerical work is necessary in order to properly wind up the business of the Second and Third Called Sessions of the Thirty-third Legislature and to determine what officers and employes shall be retained to perform such post session clerical work, and to make such recommendations in the premises as to said committee may appear proper.

The resolution was read and adopted.

The Chair appointed Senators Collins, Wiley and Cowell as the committee provided for in the above resolution.

#### SIMPLE RESOLUTION.

By Senator Taylor:

Resolved, That the Senate extend to Hon. C. B. Hudspeth, who is serving as President Pro Tem., its sincere thanks

for the able, faithful and impartial manner in which he has presided over the deliberations of this body.

TAYLOR.  
LATTIMORE.  
COLLINS.  
BRELSFORD.

The resolution was read and adopted.

#### POST-SESSION CLERICAL WORK.

By Senator Wiley:

Austin, Texas, October 21, 1914.

Hon. Claude Hudspeth, Acting President of the Senate.

Sir: We, your committee appointed to arrange and provide for the printing of the Senate Journal for the Second and Third Called Sessions of the Thirty-third Legislature, and to report and recommend such officers and employes as shall be retained after adjournment and to specify their duties, number of days, pay, etc., beg leave to report as follows:

1. That 250 volumes of the Senate Journal of the two Special Sessions, when completed shall be printed and shall be bound in full law sheep, and one volume when thus bound, shall be forwarded by the Secretary of State to each member of the Senate and to each Representative, and the remainder shall be turned over to the Secretary of State. The printing of such Senate Journals in permanent form shall be done in accordance with the pre-existing law and with the provisions of this resolution under the supervision of the Journal Clerk of the Senate; and it is further provided, that the Journals herein provided for shall be delivered to the Journal Clerk of the Senate within sixty days after the last copy shall have been furnished to the contractor. And it is further provided that the contractor shall furnish daily to the Journal Clerk of the Senate for the purpose of corrections and indexing three proofs of each of forty-eight pages of the Senate Journal as such pages will appear when finally printed, such proofs to be furnished within one day after the copy for such batch of forty-eight pages shall have been furnished by the Journal Clerk to the contractor; and it is further provided that it shall be the duty of the Journal Clerk of the Senate not to receive or receipt for said Senate Journals until correctly published as required herein and by pre-existing law.

When said Journals have been pub-

lished and the account approved by the State Printing Board, the same shall be paid out of any of the contingent expense funds of any special session of the Thirty-third Legislature, that are available; provided, that the chairman of the Committee on Contingent Expenses shall not issue vouchers for said amount until the Journal Clerk has certified to him that the Journal has been published and delivered in accordance with the provisions of this resolution.

2. We recommend that the Journal Clerk, R. M. Gilmore, be retained for 40 days after adjournment, and that he be allowed for his services \$7.50 per day, and that he be instructed to prepare and deliver to the public printer the Journal of the Senate, together with a complete and comprehensive index to same, and to deliver to the Secretary of State all documents, bills, etc., and Journals by law required to be delivered to him by the Secretary of the Senate.

3. We recommend that the Secretary of the Senate, W. V. Howerton, be and he is hereby allowed six days in which to wind up the business of the Senate, and that he be allowed the sum of \$5.00 per day.

4. We recommend that the Sergeant-at-Arms, M. F. Hornbuckle, and assistant, J. A. Kenney, be allowed two days pay at regular salaries after adjournment, and that they be instructed to immediately prepare a complete and itemized duplicate inventory of all property of the Senate, including all furniture and property in the Lieutenant Governor's room, with marks of identification entered on the invoice, such inventory to show the condition and probable value of such property, and that each copy of each inventory be approved by the President of the Senate, and be delivered by the Sergeant-at-Arms to the Superintendent of Public Buildings and Grounds, and one copy to the Secretary of State upon adjournment of the Legislature, and that the Sergeant-at-Arms, M. F. Hornbuckle, and his assistant, J. A. Kenney, deliver said property to the Superintendent of Public Buildings and Grounds, taking his receipt for same, which shall be delivered to the Secretary of State and filed and kept by him, and said receipt shall be delivered to the Sergeant-at-Arms of the Senate at the next special or regular session of the Legislature, as soon as said Sergeant-at-Arms has been elected and qualified.

5. We recommend that the Engrossing Clerk, Frank Smith, and Enrolling

Clerk, J. W. Shotwell, each be required to deliver to the Senate all books and documents belonging to the Senate in their possession, upon the adjournment of the Legislature.

6. That the postmistress, Mrs. Clyde D. Smith, be requested to make out a list of the Senators and employes of the Senate with their respective postoffice addresses and furnish the same to the postmaster at Austin, with the request that he forward their mail to their respective addresses after adjournment.

7. That the expenditures under this resolution may be paid out of the contingent and per diem fund of the Special Session of the Thirty-third Legislature, that \$50.00 or so much thereof as may be necessary, shall be appropriated out of such contingent funds to pay postage or express charges on Journals sent out.

WILEY.  
COLLINS.  
COWELL.

The above report was read and on motion of Senator Willacy was so amended to provide for the pay for the Sergeant-at-Arms and assistant for two days.

The report was then adopted.

#### REASON FOR VOTE.

I have not had the time nor the opportunity to examine this report, and believing that every member of the Senate should have the time and opportunity to make such investigation as to enable him to vote intelligently, I therefore vote "no."

CONNER.

#### SIMPLE RESOLUTION.

By Senator Watson:

Be it resolved by the Senate, That 3000 copies of each of the messages of Governor O. B. Colquitt to the Second and Third Called Sessions of the Thirty-third Legislature be printed in pamphlet form for distribution.

The resolution was read, and Senator Watson moved that the same lie on the table subject to call.

Senator McNealus moved to table the motion for the resolution to lie on the table subject to call, which motion was adopted by the following vote:

Yeas—13.

Astin.

Collins.

Conner.  
Hall.  
Hudspeth.  
Lattimore.  
McGregor.  
McNealus.

Nugent.  
Taylor.  
Townsend.  
Watson.  
Wiley.

Nays—11.

Bailey of Harris. Henderson.  
Brelsford. Real.  
Cowell. Terrell.  
Gibson. Warren.  
Greer. Willacy.  
Harley

Absent.

Johnson. Morrow.

Absent—Excused.

Bailey of DeWitt. Darwin.  
Carter. Westbrook.  
Clark.

Senator Townsend offered the following amendment:

Amend the resolution by adding that the speeches of the Hon. Chester Terrell, Speaker of the House, in opposition to the bank bill be printed in connection with the Governor's message on the bank bill, in view of the fact that it is a clear statement of constitutional and other objections urged by the opposition to the bill, to the end that arguments in favor of and against the bank bill may be equally distributed to the people; copies of speeches to be furnished by authors of same to Journal Clerk.

The amendment was read, and

Senator Watson moved to table the same, which motion to table was adopted by the following vote:

Yeas—15.

Bailey of Harris. Hudspeth.  
Brelsford. McGregor.  
Collins. Real.  
Gibson. Taylor.  
Greer. Terrell.  
Hall. Watson.  
Harley. Willacy.  
Henderson.

Nays—9.

Astin. Nugent.  
Conner. Townsend.  
Cowell. Warren.  
Lattimore. Wiley.  
McNealus.

Absent.

Morrow.

## Absent—Excused.

Bailey of DeWitt. Darwin.  
Carter. Johnson.  
Clark. Westbrook.

(Senator Taylor in the chair.)

Pending discussion, Senator Hudspeth moved the previous question on the resolution, which motion being duly seconded, was so ordered.

The resolution was then adopted by the following vote:

## Yeas—19.

Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Collins.	Nugent.
Conner.	Real.
Gibson.]	Taylor.
Greer.	Terrell.
Hall.	Warren.
Harley.	Watson.
Henderson.	Willacy.
Hudspeth.	

## Nays—5.

Astin.	Townsend.
Cowell.	Wiley.
Lattimore.	

## Absent.

Johnson.	Morrow.
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## Absent—Excused.

Bailey of DeWitt.	Darwin.
Carter.	Westbrook.
Clark.	

## SPECIAL COMMITTEE REPORT.

By Senator Warren:

Hon. C. B. Hudspeth, President Pro Tem. of the Senate:

Sir: We, your Committee on Contingent Expenses, to whom was referred a simple resolution directing us to invite bids for the construction of individual lockers for the Senators in time for the convening of the Thirty-fourth Legislature, beg to report that we have secured bids from two responsible concerns, to-wit: Nalle & Company, of Austin, Texas, and the Calcasieu Lumber Company, of Austin, Texas, the last named being the lowest bid; the bids being as follows, to-wit: For 31 lockers, same to be of quarter-sawed white oak, with Yale locks and keys and with natural finish, and in accordance with diagram herewith attached.

The lockers numbered, sizes to be 20 inches deep and 16 inches wide, for the

sum of \$255, and if four additional lockers be desired by the Senate, making thirty-five in all, the price will be \$275. We also secured the bids finished in pine, which cost about \$75 less than the above, but presuming that the Senate would desire the finish in oak, we therefore recommend the finish of the aforesaid. Bidders offer for 20 cents each, extra, to put ventilators in door of each locker.

Attached hereto is the bid of the said Calcasieu Lumber Company.

WARREN, Chairman.

Austin, Texas, October 20, 1914.

Mr. W. V. Howerton, Secretary of the Senate, Austin, Texas.

Dear Sir: Agreeable to our conversation, we are pleased to make you a price of \$275 on lockers as per your sketch submitted, same to be of quarter-sawed white oak, and furnished with Yale locks and master key, finished natural finish, and lockers numbered from 1 to 35 with metallic numbers.

It is understood that the sketch is to be varied from in two particulars: First, the lockers are to be built 20 inches deep instead of 16 as shown. Second, the lockers are to be increased in number from 31 to 35.

Respectfully,

CALCASIEU LUMBER CO.

The report was read and adopted.

Senator Warren moved that the Secretary of the Senate be authorized to superintend the work and receive same, which will be completed before the convening of the regular session in 1915.

The motion was adopted.

## MESSAGE FROM THE GOVERNOR.

The Chair here laid before the Senate the following message from the Governor, which was received today:

Governor's Office,

Austin, Texas, October 20, 1914.

To the Senate and House of Representatives:

On the 24th of August last I convened you in extra session to consider measures of relief to the farmers of this State who are producers of cotton. You enacted an emergency warehouse law which furnishes the State's guarantee of the warehouse receipt. It was believed

this measure would give faith and confidence to such an extent that the banks of the State would advance a reasonable amount of money on such warehouse receipts and thereby enable farmers to pay their bills to merchants, and in turn enable retail merchants to pay their notes at the bank or to jobbers, or at least a portion of same, and thereby bring relief to the financial situation with which we are now contending. You have also enacted a splendid general bonded warehouse law, which in the future will be a great help in aiding systematic marketing of farm products, as well as storing and protecting the same.

#### Other Remedies Needed.

It soon developed, however, that these measures were not sufficient to give confidence in the values of cotton and induce banks and others to loosen up their money reserves, and by doing so, protect the wasting values in cotton, which is the money crop of this State. The cotton crop of Texas is not as large as it was believed it would be sixty days ago. Approximately four million bales have been produced, and these four million bales ought to bring to the producer an average of not less than 10 cents per pound, or a total of \$200,000,000. It is selling now at an average price of not to exceed 6 cents per pound, or a total of \$120,000,000 for the year's crop. At this ratio, the loss in value to the farmers of Texas alone will be \$80,000,000. For the year 1913, the United States exported more than 8,800,000 bales of cotton. This cotton brought back to us the equivalent of 12 cents per pound in the world's gold, or a total of more than \$547,000,000. It is now apparent that the value of this year's crop will shrink and waste away at least to the full extent of the value of the total cotton exported for last year. This shrinkage in value will represent a loss of \$547,000,000 of gold to the wealth of the United States.

We, to a large extent, are a debtor nation and State. Because of the fact that Europe holds many hundreds of millions of dollars of our municipal bonds and the bonds of our great railway corporations and other public utilities, it is estimated that it will take \$400,000,000 of gold to meet the interest and pay the maturing bonds, which are held by Europe, between now and the first day of January. The per capita of money in circulation in the United States is now placed at something above

\$37. Estimating the population of the United States at 100,000,000 people, the exportation of \$400,000,000 of gold to pay balances in Europe will reduce the per capita of money in circulation \$4, bringing it down to \$33. All of which is due to the loss of value in cotton because of our inability to export and sell it.

#### Nation Doing Nothing.

Our nation and our States are doing nothing to conserve and protect this wasting value. The Democratic party, now in control of the nation, has utterly failed, and announces its purpose not to try to protect us against this great waste in values. During the Civil War most of the cotton-growing States having seceded and become a part of the Confederacy, enacted laws through their Legislatures for the purpose of reducing the acreage planted in cotton. This was done under the exercise of the general police powers of the States, at a time in the history of these States when they had seceded from the Union for the purpose of preserving their rights as States. The prime purpose of such enactments during the period of the Confederacy was to compel the owners of the soil to have more of their land in cultivation for the production of food stuffs, in order that the soldiers at the front, under Lee and Jackson and Johnson and other great commanders, might have food for themselves and their horses. And it was necessary that this course should be followed in order that the people at home might have food for sustenance. The ports of the South were blockaded. Cotton could not be exported, and there were no cotton factories of consequence in the seceded States.

#### Rigors and Hardships of War.

Our country is not at war, but it is suffering the rigors and hardships of the war prevailing in Europe, because our government, statesmen, leaders and people have not foreseen the conditions now confronting us, and did not provide against them. All of which shows that we must take a broader and deeper view of the government's duty and obligations to the people, and provisions must ultimately be made by law for caring for such calamities as may come upon us unforeseen. Our Federal government in the past has gone to the rescue of stock jobbers and stock gamblers in New York, by the deposit of large sums of money in the banks of that city, to sustain the values in stocks and prevent a panic.

The Federal government could now in the same way preserve the values in cotton by depositing sufficient government funds in the banks throughout the South, on the sole condition and for the express purpose of preserving the values of cotton by making advances upon it at a reasonable percentage of its value, at a very low rate of interest. What the government has done for the stock jobbers, it ought to be willing to do for the farmers, who are the real producers of our wealth and the makers of our prosperity.

#### The State's Attitude.

Pertinent to this subject is the resolution offered by me in the Democratic State convention at El Paso, and adopted with only four dissenting votes. It reads as follows:

"Whereas, An unfortunate war has broken out in Europe among the nations which consume large quantities of American cotton. As a result of war, and declarations of war, market quotations have ceased and ship owners have given notice they will not accept cotton for shipment, and there is practically no market for spot cotton, which is now being rapidly gathered in some sections, and by January 1 next it is estimated that twelve and one-half million bales will be ginned and ready for market; and

"Whereas, Great Britain, Germany, France and Belgium buy about 45 per cent of the entire cotton crop of the United States, and all these powers now being involved in preparations for or in actual hostilities, making it improbable that we can sell to or transport our cotton into these countries to any considerable extent during the conflict between them; and

"Whereas, The cotton manufacturers of the United States take less than 36 per cent of our cotton crop for manufacture, and with the countries mentioned at war, probably could not use more than 50 per cent of the crop, thus leaving an unused surplus of seven or eight million bales. The effect of this, we believe, would cause cotton to sell at much less than the cost of production and be ruinous to our cotton farmers and to the business interests of the State generally; it would enable American spinners to fix their own price for manufacture. The conditions create an emergency which justifies the government of the United States in taking steps to avert such calamity to the cotton producers. The product of their

labor is the foundation of our prosperity, and every effort should be put forth to avert calamity to them, which in turn would mean injury to and loss to all laborers, industry and business. Under the general welfare clause of the Constitution of the United States, our government has the power to come to the relief of the cotton producer and protect him against such calamity as now seems to threaten him in the sale of cotton at prices which it ought to bring under normal conditions, and it appearing that our government intends to and is preparing to advance very large sums of money to banks by means of the issuance of emergency currency, partly for the purpose of protecting the producer of agricultural products from being forced to sell his produce under 'distress' conditions; therefore, be it

"Resolved by the Democratic party of Texas, in convention assembled, That we request our Senators and Representatives in Congress to urge the passage of a bill which will make provision for direct advances by the government or through the banks on cotton to the amount of not less than \$50 per bale of 500 pounds, on a basis of middling, where it is properly warehoused and insured, at rates of interest not to exceed 3 per cent per annum. We ask our Representatives to use their influence to the end that emergency currency which the government proposes to issue to meet the present emergency shall benefit those whom it is intended to aid, and not to speculators in agricultural products. We believe that these agricultural products, when the European war is over, will bring increased prices, and financial aid now should go to the benefit of producers, thus enabling them to tide over the conditions which they cannot control and at the same time enable them to receive the remunerative prices which are sure to follow the establishment of European peace and resumption of industrial activity."

(Signed) O. B. COLQUITT.

El Paso, Texas, August 12, 1914.

(The foregoing resolution was presented to the Committee on Platforms and Resolutions and unanimously adopted. It was reported by the Platform Committee to the convention, and the convention adopted it with only four dissenting votes.)

### The Need of the Hour.

"Inexpediency" is the one argument against doing as the State Democratic convention demanded in the foregoing resolution, and only one man stands in the way of its being done. History is repeating itself, and we are demonstrating our inability to meet emergencies and solve them. The need of the hour is men in legislative places who have the courage and the ability to find a way to meet them. The Constitution divides the government into three branches—one to make the laws, one to enforce them, and the other to construe them. Under our form of government the people cannot be oppressed by any civil authority. But the powers of government should be used to save the people from ruin as well as to protect them from oppression.

I take the liberty here of quoting the resolution adopted by the National Farmers' Congress at Fort Worth last week. This body of men was composed of intelligent and prosperous farmers from all sections of our common country—they are men of patriotism and imbued with brotherly love and sympathy for those less fortunate than themselves, and most of them come from the Northern and Western States where no cotton is produced. They had the situation explained to them, and witness their patriotic action in the sentiment embodied in the following resolutions adopted by them:

"Resolved, That the crisis caused by the closing of the European markets for cotton, our greatest export crop, having disturbed national credit, reversed our balance of trade and deprived a large part of the country of the means with which to meet its obligations to other sections, presents a national problem.

"We therefore call upon Congress to remain in session until it has enacted sound laws for financing surplus cotton and for protecting the producers against ruinous prices for the next crop, due to the present war-created surplus. We believe that adjournment of Congress without this legislation would be culpable neglect of duty."

But members of Congress are clamoring for action by State Legislatures to reduce the acreage and to adopt other measures as they may be able, to give confidence in values and allay the fear of overproduction next year. I have

met this suggestion by submitting these matters to your consideration; I have discharged my whole duty in my efforts to find a solution for the trouble. You have turned a deaf ear, and now the question is left where we started with it, and there it will remain unless the people shall demand at the hands of your successors affirmative and speedy relief.

### Financial Independence Suggested.

Foreseeing that the Federal government was not going to do this, I presented to the Legislature a plan for the establishment of The Bank of Texas, proposing to use the credit of the State through that medium to concentrate money belonging to the State banks and their depositors, for investment in agricultural products and conserve their values. Financial institutions already enjoying the benefits of the deposits which would be brought by the proposed law into The Bank of Texas, opposed the proposition, and I have not been able to induce a majority of the Legislature to co-operate with me in establishing this great financial institution for the protection of the people of the State, and maintain the values of the products of the farm: Powerful influences combined and conspired to secure the defeat of the bill after I had been practically given assurance that a majority of both Houses were favorable to the passage of the measure if they were given sufficient time to consider it.

It was urged by the banks and business men that if I would submit to the Legislature a proposition for the reduction of the acreage to be planted in cotton for the year, 1915, that favorable action on such recommendation by the legislative branch of the government would immediately give confidence in cotton values, and bankers would readily advance money on cotton. This question was presented with the hope that this would be the result, but no disposition has yet been made of this question. Indecision and doubt as to what you are going to do, and what other cotton growing States may do, work hand in hand to further depress and destroy the values of cotton. I have hoped against hope that we could do something to rescue this waste of millions.

### Curtailment of Production.

From all quarters of the country comes the statement: "Texas produces



over one-fourth of the cotton of the United States and we are looking to her for leadership in the solution of the trouble." I have presented to the Texas Legislature the opportunity and a chance for this leadership but you have declined it. The cultivation of your own vineyard as to you seemeth best, is all right in principle, but the Master told his hearers that if the "fig tree was barren to cut it down and cast it into the fire." If the cotton will not produce enough in value to pay the cost of its raising then it is like a barren fig tree and ought to be cut down and the ground plowed up and sown in grain so that the husbandman may come and bring his corn to the garner.

As a result of legislation by the cotton growing States during the war, cotton production was greatly reduced. When the war ended, the world demanded greater quantities of cotton than could be supplied, and it freely sold for from fifty cents to one dollar per pound. If a way could be found to finance the present crop—and a way is at hand if those in authority would use it—as I have frequently pointed out—the present crop would bring a greatly increased price when the unfortunate war in Europe is over, for then the gold they are now spending for foodstuffs and implements of war, will seek employment in industry and there will be a great demand for cotton.

But the Democratic party—the political party of the South—is in power in the nation, and has failed and refuses to do anything. And the Democratic party in Texas as represented by the Legislature, has likewise failed. Where is the people's hope?

#### Appealed in Vain.

I have appealed to you from the beginning of these sessions with all the earnestness of my heart, to pass these relief measures speedily, in order that our people might receive full benefit from them. We owe millions of dollars to the jobbing and manufacturing centers in the north, east and northwest. They will be demanding payment. But there is nothing but cotton to make payment with. The American spinners will consume about six million bales. One of them will say to you he is willing to pay ten cents per pound for cotton, if all of his competitors could be compelled to pay the same price. But one spinner can not pay ten cents per pound for cotton and compete successfully with

competitors buying it at six cents per pound. So the whole question is up to us. Shall we confess that we have not the wisdom, the patriotism, nor the statesmanship to deal with it, and meet the emergency that is upon us?

#### Debts Are Due.

These debts, as I have said, are falling due. The cotton merchant holds a chattel mortgage on the cotton. The cotton merchant in turn owes the bank and the jobber. The bank and the jobber are going to demand payment of the country merchant. The country merchant must demand payment from the farmer, and the cotton is going to be sacrificed under these distressed conditions. It is estimated that the country merchant and the country banker who have made advances upon cotton crops, have already advanced as much as eight cents per pound on a very large proportion of that which has been produced. It does not require that a man should be a philosopher and mathematician to see that if the farmer is going to have to sell his cotton at six cents per pound in the payment of his debts, that it will not bring enough to pay his obligations. Nor will the country merchant be able to obtain enough from its sale to liquidate his debts to the bank, and all three of these classes will have to either carry or owe a large proportion of debts now due, for another year. The jobbers and manufacturers in the east, north and northwest are devising schemes by which they can collect their money.

#### One Remedy Left.

The failure of Congress seems to me to leave but one other course open to us. I have with great reluctance reached the conclusion that the only remedy left now for our people is for the Legislature to pass acts suspending the enforced collection of debts for six or twelve months. To do this will enable the debtor class to hold their property which is pledged for their obligations until another day when they can receive something like its value.

But one branch of the Legislature has twice, perhaps in anticipation that I might submit the question to you, passed a resolution by almost unanimous vote, putting itself on record in opposition to the passage of a stay law. I therefore deem it unnecessary to submit the question to the Thirty-third Legislature, because of the belief I have that it

would meet the same fate of other remedial measures presented to you.

### A Tragedy.

We are left therefore to contemplate one of the most peculiar tragedies any part of this nation ever experienced. It is pitiful that a great giant like our nation and our State by their own inertness, has become so pitifully weak and inefficient.

Possibly the suffering of the people will later on move Congress and those in authority in the nation, and the State Legislatures in cotton-growing States, to do something out of pity. But if this pity is to be shown, it should come soon, or else the poor mortgage ridden farmer will be forced to sell his cotton at five or six cents and apply the proceeds to the payment of his debts. Unless this relief is given him now, he will be like the wounded hero on the field of battle crying for water—unless it comes to him at the opportune time to dampen his fevered lips, it will be too late. It will be too late in January to give relief to the producer of cotton. It will then be in the hands of speculators or creditors and legislation then to preserve the values in it will help the speculator, but it will be too late to put shoes on the bare feet of the boys and girls who cultivated and gathered it. They will shiver in the cold and cry with hunger then. But then, maybe, the gamblers in the nations wealth and the hoarders and controllers of the nation's currency, will insist upon the government of the nation and of the States doing something for them.

Back in the years ago, when our States did as you are now asked to do, the poet sang beautifully of the gallant young hero (perhaps some farmer boy), in these stirring words:

"Into the ward of the whitewashed hall  
Where the dead and dying lay,  
Wounded by bayonet, shell, or ball—  
'Somebody's darling' was borne one day:

'Somebody's darling,' so young and so brave,

Wearing yet, on his pale, sweet face,  
Soon to be hid by the dust of the grave,  
The lingering light of his boyhood's grace.

Matted and damp are the curls of gold,  
Kissing the snow of that fair young brow;

Pale are the lips of delicate mold—  
'Somebody's darling' is dying now.

Back from his beautiful blue-veined brow,

Brush all the wandering waves of gold;  
Cross his hands on his bosom now—

'Somebody's darling' is still and cold.

Kiss him once for 'Somebody's' sake,  
Murmur a prayer soft and low;  
One bright curl from its fair mates take,  
They were 'Somebody's' pride, you know.

'Somebody's' hand had rested there—

Was it a mother's, soft and white?

And have the lips of a sister fair

Been baptized in these waves of light?"

And somebody's darling will be shivering in the winter's cold before our sins of omission, now being committed, are forgotten and forgiven. We build monuments to the heroes of the battlefield, and neglect the heroes of the cotton field.

"There's been a lot to say about the man behind the gun,

And folks have praised him highly for the noble work he done;

He won a lot of honor for the land where men are free—

It was him that sent our enemies kitin' back across the sea.

But he's had his day of glory, had his little spree, and now

There's another to be mentioned—he's the man behind the plow.

A battleship's a wonder and an army's mighty grand,

There's something sort o' thrillin' in a flag that's wavin' high,

And it makes you want to holler when the boys go marching by;

But when the shoutin's over and the fighting's done, somehow

We find we're still depending on the man behind the plow.

In all the pomp and splendor of an army on parade,

And through all the awful darkness that the smoke of battles made;

In the halls where jewels glitter and where shoutin' men debate;

In the palaces where rulers deal out honors to the great,

There is not a single person who'd be doin' business now,

Or have medals, if it wasn't for the man behind the plow.

We're a-buildin' mighty cities and we're gainin' lofty heights;

We're a-winnin' lots of glory and we're settin' things to rights;

We're a-showing all creation how the  
world's affairs should run;  
Future men'll gaze in wonder at the  
things that we have done;  
And they'll overlook the feller, just the  
same as we do now,  
Who's the whole concern's foundation—  
that's the man behind the plow.

Respectfully submitted,  
O. B. COLQUITT,  
Governor of Texas.

#### SIMPLE RESOLUTION.

By Senator Wiley:

Be it resolved by the Senate of the State of Texas, That the printed copies of the Governor's messages be distributed equally among the members of the Senate and Governor Colquitt, the Governor receiving one thirty-second part of all printed.

The resolution was read and adopted.

#### PRESENTING PRESENT TO SENATOR WILLACY.

Here Senator Hudspeth, on behalf of the members of the Senate, presented to Senator Willacy an expensive imported silk umbrella with heavily mounted silver handle.

Senator Willacy retires from the Senate with the closing of the Thirty-third Legislature, after a service in the Senate since 1903. The remembrance was extended to him by his colleagues as a token of their friendship and good wishes.

#### PRESIDENT PRO TEM.—ELECTION OF.

Here Senator Hudspeth stated that the time had arrived for the election of a President Pro Tem. for the close of the session, and placed in nomination for that place, Senator Q. U. Watson of Lee county.

Senators Real and McGregor seconded the nomination.

(Senator Hudspeth, Acting President Pro Tem., in the chair.)

There being no other nominations, the Chair declared nominations closed.

Senators Nugent, Greer, and McGregor were appointed tellers.

The result of the ballot was as follows:  
Senator Watson received 13 votes.

Senator Greer, not in nomination, received 7 votes.

Senator Nugent, not in nomination, received 1 vote.

Senator Watson having received a majority of all the votes cast, was declared duly and constitutionally elected President Pro Tem. for the ensuing term.

Being escorted to the President's stand the constitutional oath of office was administered by Judge Nelson W. Phillips, member of the Supreme Court.

(President Pro Tem. Watson in the chair.)

#### MESSAGE FROM THE GOVERNOR.

The Chair laid before the Senate the following message from the Governor, which had been received on today:

Governor's Office,  
Austin, Texas.

To the Senate:

I ask the advice and consent of the Senate to the appointment of the following persons to be notaries public:

Bell County—M. E. Monteith.  
Collingsworth County—R. H. Cocke, Jr.

Coke County—I. Beasley.  
El Paso County—J. F. McKenzie, H. E. Wilson.

Grayson County—G. C. Harney.  
Hardeman County—Jas. R. Macon.  
Harris County—F. D. Ferrell, Mrs. A. S. Rogers, Jno. D. Dyer, J. O. Jones, Miss Kathryn Kitchel, Willie G. Capell, Frank Pettit, L. A. Daniel, M. G. Hargrave, H. R. Evans, K. H. Poindexter, J. A. Hall.

Kimble County—W. P. Riley.  
Lubbock County—O. L. Porter.  
Throckmorton County—J. M. Parker.  
Travis County—Nelson Puett, D. H. Hart, Jr.

Victoria County—O. F. Bailey.  
Wilson County—Wayne W. Herrington.

Wichita County—Gladys Dale.  
Coke County—G. S. Arnold.  
Frio County—T. J. West.  
Jefferson County—Mr. Ruby Jett.  
Rusk County—T. J. Wright.  
Dallas County—J. B. Simpson, Anette M. Palmer, W. H. Ratliff, H. C. Duke, S. W. Harris, A. J. Bush, William Lewelling.

Parker County—J. N. Perkins.  
Walker County—W. G. Robinett.  
Cass County—W. D. Montague.

Galveston County—R. L. Pillow, Jr.  
Montague County—J. H. Lauderdale,  
Taylor Ganet, Frank R. Ford, A. D.  
Lunn.

Wise County—Frank J. Ford, T. H.  
Greer.

Bexar County—James M. Dwyer, A.  
B. C. Didzun, Louis Wagner, Hugo  
Wagner, A. C. Toudouze, Sylvan Lang,  
W. H. Robert, Winifred Anderson, B.  
B. Gayle, Robt. H. Rice, John Hennessy,  
Emil O. Dan, Emil O. Dau, Kate Lar-  
gen, Ralph S. Jackson, Miss Mary E.  
Fish, Edgar Tommins.

Gillespie County—Tom J. Martin.

El Paso County—R. A. Ramsey.

Fannin County—Neil Williams, Chas.  
H. Williams.

Harris County—Miss M. K. Dorsett.

Grayson County—H. A. Holliday.

Morris County—B. E. Robertson.

Smith County—H. A. Kassebaum.

Wichita County—C. B. Felder, T. W.  
McHam, Mack Thomas, Mrs. Gladis  
Dale, P. E. Ashworth, E. J. Cowan, M.  
F. Yeager, H. L. Hunter, C. A. Winfrey,  
J. R. Ogle.

Wilbarger County—Joseph Schmidt,  
Hugh Stevenson.

Bexar County—Miss Lella Ileen  
Garry.

Parker County—C. T. Scott, Millsap.

Henderson County—Earl Jones,  
Athens.

Delta County—H. I. Parker, Pecan  
Gap.

Comanche County—Edgar Madons, De  
Leon; Miss Ivah Hampton, De Leon.

Erath County—Oscar Williams,  
Stephenville.

Coke County—T. R. Butler, Bronte.

Childress County—W. G. Gross, Chil-  
dress; W. D. Cope, Childress.

Galveston County—E. N. Holland, Gal-  
veston; Lucile Whitecomb, Galveston; F.  
W. Behrman, Galveston; Isaac Lipp-  
mann, Galveston; Harry Hawley, Gal-  
veston; F. M. Douglas, Galveston;  
Nellie Curtin, Galveston.

Matagorda County—J. S. Wright, A.  
B. Pierce, E. A. Gaudet, James H. Wolf,  
C. M. Gaines.

Wharton County—E. Hawes, Jr.,  
Wharton.

Wood County—Gordon Alvis, Winns-  
boro; Ben F. Cathey, Quitman.

Upshur County—W. A. Hamm, Gil-  
mer.

Van Zandt County—R. A. Dean,  
Fruitvale; W. B. Rogers, Canton.

Smith County—F. R. Coker, Tyler; J.  
D. Goolshee, Tyler.

Dallas County—J. H. Harris, Dallas;  
C. A. Harris, Dallas; B. L. Walkup, Dal-  
las; T. B. Hailey, Dallas.

Brown County—Claude B. Hurlburt,  
Brownwood.

Grayson County—Ralph Bennett, Sher-  
man; Roy Davis, Sherman.

Jackson County—S. C. Drushel, Edna.  
Callahan County—W. L. Bowlus,  
Baird; Walter O. Fraser, Baird.

Palo Pinto County—W. A. Herring,  
Santo.

Jones County—F. M. Arnold, Nugent;  
S. H. Howard, Hawley.

Kent County—J. W. Darden, Clair-  
mont.

Rusk County—Jim Heard, Overton.

Nueces County—H. E. Luther, Corpus  
Christi.

Bell County—D. C. Brogden, Rogers.

McLennan County—G. C. Parker,  
Waco; Harney B. Ross, Waco.

Falls County—Willis G. Durkam, Mar-  
lin.

Hays County—Mrs. L. Dorman, San  
Marcos.

Lamar County—L. T. Vaughn, Bloss-  
som; C. N. McGuire, Paris.

Travis County—J. F. Dawkins, Minnie  
Burkhardt.

Hunt County—J. R. Gibson, Green-  
ville.

Live Oak County—H. H. Sagebiel.

Jackson County—F. H. Knipling.

Marion County—G. Frank, Jefferson;  
B. N. Smith, Daingerfield.

Bowie County—Wm. V. Brown, Texar-  
kana.

Cass County—F. N. Moore, Avinger.

Morris County—B. E. Robertson,  
Naples; D. L. Tittle, Cason.

Tarrant County—A. C. Whitefield,  
Fort Worth; W. F. Stewart, Fort Worth;  
Wallare H. Malone, Fort Worth; F. J.  
Fitzovich, Fort Worth; Miss Meta Du-  
vall, Fort Worth; H. W. Dickerson, Fort  
Worth; C. A. Wright, Fort Worth.

Madison County—E. H. Smith, Mad-  
isonville.

Clay County—Miss Myrtle Barton,  
Henrietta.

Dalham County—Thos. Collins, Dal-  
hart.

Wichita County—T. C. Scott, Wich-  
ita Falls.

Delta County—J. W. Culver, Cooper.  
Fayette County—R. O. Menefee,  
Flatonia.

Lamar County—G. S. Bostick,  
Brookston.

Duval County—Rufus Boylan, Cres-  
tonio.

McLennan County—R. G. Murray, Mart.

Terrell County—A. T. Folsom.

Travis County—Grover L. Pickrell.

Dallas County—L. L. Jester, Jr., Dallas; Charles Archer, Dallas; F. J. Fitzovich, Dallas; A. E. Janelli, Dallas; T. H. Campbell, Dallas; J. H. Harris, Dallas; J. F. McCullough, Mesquite.

Bexar County—C. W. Bocock, San Antonio.

El Paso County—Miss Justine B. Newbrough, El Paso; Ben F. Lomax, El Paso; Mrs. M. W. Baker, El Paso.

Jackson County—S. G. Drushel, Edna.

Anderson County—Harry L. Wright, Palestine.

Respectfully submitted,

O. B. COLQUITT,

Governor.

#### EXECUTIVE SESSION—TIME SET FOR.

Senator McNealus offered the following resolution:

Resolved, That the Senate go into executive session at 11 a. m., Wednesday, this hour, to consider the confirmation of nominations made by the Governor.

The motion was adopted by the following vote:

Yeas—21.

Astin.	Lattimore.
Bailey of Harris.	McGregor.
Collins.	McNealus.
Conner.	Nugent.
Cowell.	Real.
Gibson.	Terrell.
Greer.	Warren.
Hall.	Watson.
Harley.	Wiley.
Henderson.	Willacy.
Hudspeth.	

Absent.

Brelsford.	Taylor.
Johnson.	Townsend.
Morrow.	

Absent—Excused.

Bailey of DeWitt.	Darwin.
Carter.	Westbrook.
Clark.	

#### IN EXECUTIVE SESSION.

In Executive Session all the above nominated for appointment as notaries public, were confirmed, as reported to the Journal Clerk by the Secretary.

#### IN THE SENATE.

#### SIMPLE RESOLUTION.

By Senator Willacy:

Whereas, The Third Called Session of the Thirty-third Legislature, convened at ten o'clock a. m. September 23, 1914, and

Whereas, The Constitution provides that special sessions of the Legislature shall not extend beyond a period of thirty days, and

Whereas, The limitation of time of this session as fixed by the Constitution, will expire at ten o'clock a. m., Thursday, October 22, 1914; therefore, be it

Resolved, That the Senate do now adjourn until ten o'clock a. m., October 22, 1914, at which hour and minute the Third Called Session of the Thirty-third Legislature will automatically determine and cease to exist, under the provisions of the organic law of the State.

WILLACY.

WILEY.

GIBSON.

HENDERSON.

The resolution was read and adopted,

#### TWENTY-SIXTH DAY.

Senate Chamber,  
Austin, Texas,

Thursday, October 22, 1914.

The Senate met pursuant to adjournment, and was called to order by Senator Watson, President Pro Tem.

In accordance with a simple resolution, adopted on yesterday, the Senate met and the roll was not called.

#### RESIGNATION OF SENATOR HUDSPETH.

The Chair laid the following before the Senate:

Senate Chamber,  
Austin, Texas, October 21, 1914.

Hon. Q. U. Watson, President Pro Tem., State Senate, Austin, Texas.

Dear Sir: I herewith transmit to you my resignation as State Senator of the Twenty-fifth Senatorial District, to take effect November 3, 1914.

In this connection, I desire to say that I am now the nominee of the Democratic party for the Twenty-fifth Senatorial District of the State of Texas, and this resignation shall in no way

be construed to abrogate, relinquish or affect said nomination, but only is intended as a resignation of the remainder of the term for which I was elected as Senator at the November election of 1910, which term expires by limitation November 3, 1914. I in no way relinquish or abandon the nomination of the Democratic party for the Senatorship from the Twenty-fifth Senatorial District, which was accorded me by vote of that district on the 25th day of July, 1914. I expect to serve as such representative during the constitutional term.

Please transmit the within resigna-

tion to the Senate of the State of Texas and have same accepted.

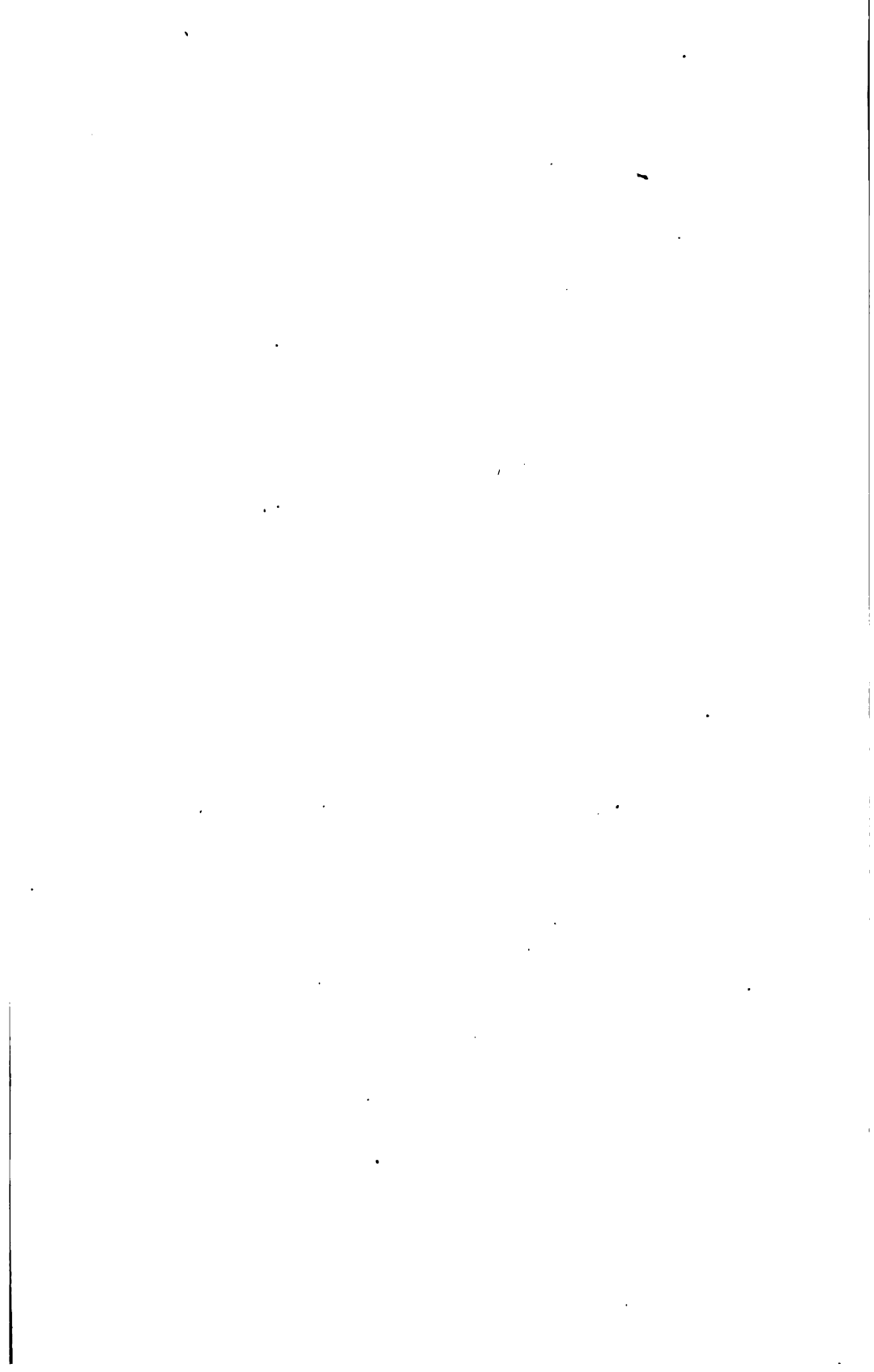
Yours very truly,

C. B. HUDSPETH.

On motion of Senator Clark the above resignation was accepted.

#### SINE DIE ADJOURNMENT.

The Chair, President Pro Tem. Watson, stated that the hour for the Senate to adjourn had arrived, and after prayer by the Chaplain, declared the Third Called Session of the Thirty-third Legislature adjourned sine die.



# SENATE AND HOUSE BILLS AND RESOLUTIONS--HISTORY OF IN THE SENATE.

## SENATE BILLS, HISTORY OF IN THE SENATE (In numerical order).

(Note.—First number following subject matter indicates page where introduced, read first time and referred to a committee.)

1. By Senator Westbrook et al.: The "Bank of Texas" bill, 5.—Reported, favorable majority, adverse minority, 36.—Taken up, majority committee report adopted, amended, pending, 97, 98, 99, 100, 103, 104.

2. By Senator Willacy: Per diem for members and employes, 8.—Reported favorably, 24.—Taken up, constitutional rule suspended; read second time, Senate rule suspended, committee report adopted; ordered engrossed; constitutional rule suspended; read third time and passed, 9.—Reported engrossed, 24.—Received from House, 27.—Signed, 27.

3. By Senator Willacy: Making appropriation for contingent expenses, 8.—Reported favorably, 24.—Taken up, constitutional rule suspended; read second time, Senate rule suspended, committee report adopted; passed to engrossment; constitutional rule suspended; read third time and passed, 10.—Reported engrossed, 24.—Received from House, 27.—Signed, 27.

4. By Senators Carter and Collins: Divorcement of cotton oil mills and cotton gins, 31.—Reported favorably, 34.

5. By Senator Bailey of DeWitt: Amendment to State bank law, 39.—Reported favorably, with amendments, 95.—Read second time, committee report adopted; ordered engrossed; constitutional rule suspended; read third time and passed, 102.—Reported engrossed, 106.—Received from House with amendments, 115.—House amendments concurred in, 116.—Signed, 120.—Reported enrolled, 121.

6. By Senators Cowell and Lattimore: Providing for the appointment of six Supreme Court commissioners, 94.

7. By Senators Westbrook and Brels-

ford: Providing for reduction in cotton acreage for 1915, 94.—Reported, favorable majority, adverse minority, 106.—Made special order, 118.—In full, 128.—Read second time, amended, pending, 137, 139, 140.—Taken up, amended, pending, 140, 149.—Taken up, amended, pending, 154, 155, 156, 157.—Refused to take up, 160.

8. By Senator Warren: Providing for tax on cotton production for 1915, 122.

9. By Senator Lattimore: Providing for reduction in cotton acreage for 1915, 125.—In full, 130.—Reported favorably, 142.

10. By Senator Astin: Providing for reduction in cotton acreage for 1915, 125.—In full, 132.—Reported, adverse majority, favorable minority, 143.

11. By Senator Henderson: Providing for tax for excess in cotton acreage for 1915, 125.—In full, 130.

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## SENATE CONCURRENT RESOLUTIONS, HISTORY IN THE SENATE.

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1. By Senators Terrell and Lattimore: Providing for sine die adjournment of the 13rd Called Session, 11.—Read and consideration postponed, 12.—Withdrawn, 27.

2. By Senator Westbrook: Relating to national banks lending Federal emergency fund to farmers, 27.—Read, amended, and referred to Committee on Federal Relations, 28.—Reported favorably with amendments, 34.—Taken up, pending, 108.—Taken up, substituted and adopted, 114.—Received from House, 126.



3. By Senator Townsend: Endorsement of President Wilson's administration, 120.—Read, amended, pending, 120.

4. By Senator McNealus: Providing for sine die adjournment for October 16.—Read and laid on table subject to call, 122.

5. By Senator Watson: Providing for sine die adjournment on October 17, 1914.—Read and adopted, 135.

6. By Senator Bailey of DeWitt: Providing for committee to arrange for the attendance, by the Legislature, upon the funeral of the late R. R. Gaines.—Read and adopted, 137.—Received from House, 139.

7. By Senator Watson: Providing for sine die adjournment for October 20.—Read and lost, 153, 154.

8. By Senator Nugent: Providing for sine die adjournment for October 21.—Read and laid on table subject to call, 158.—Called up and adopted, 159.

#### SIMPLE RESOLUTIONS, HISTORY OF.

(Note.—First number following subject matter indicates page where introduced, read and referred, or adopted, as the case may be.)

By Senator Nugent: Providing for election of officers and employes, 3.—Read and adopted, 3.

By Senator Nugent: Relating to clerical help.—Read and adopted, 3.

By Senator Nugent: Fixing salary of employes.—Read and adopted, 3.

By Senator Nugent: Providing for employes.—Read and adopted, 4.

By Senator Townsend: Requesting Librarian to furnish members of Senate certain literature on banking.—Read and adopted, 4.

By Senator Harley: Providing for extra copies of Bank bill in pamphlet form.—Read and adopted, 4.

By Senator Brelsford: Providing for telephone booth for use of members.—Read and adopted, 4.

By Senator Collins et al.: Requesting that members do not absent themselves from session of Legislature.—Read and tabled, 4.

By Senator Hudspeth: Providing for newspaper subscriptions.—Read and adopted, 6.

By Senator Townsend: Providing for addition to Judiciary Committee No. 1.—Read and adopted, 6.

By Senator Nugent: Relating to employes of the Senate.—Read and adopted, 6.

By Senator Watson: Extending courtesies to Lieutenant Governor-elect Hobby.—Read and adopted, 9.

By Senators Lattimore and Cowell: Providing for Manual for Lieutenant Governor-elect Hobby. — Read and adopted, 9.

By Senator McGregor et al.: Expressing sympathy on account of death of son of Assistant Doorkeeper.—Read and adopted, 27.

By Senator Willacy et al.: Expressing sympathy on account of death of Mrs. E. G. Senter.—Read and adopted, 27.

By Senator Willacy: Relating to passage of a "stay law."—Read and ordered printed in Journal, 30.

By Senator Conner: Providing for amendment to the Rules.—Read and referred to Committee on Rules, 31.

By Senator Watson: Providing postage for certain officers.—Read and adopted, 32.

By Senator Townsend: Relating to committee report on S. B. No. 1.—Read and withdrawn, 33.

By Senator Terrell: Relating to President Pro Tem.—Read and laid on table subject to call, 35.—Read and adopted, 38.

By Senator Townsend: Providing for the acceptance of the invitation of the House to attend the speaking on this day, 37.

By Senator Hudspeth: Granting use of Senate Chamber to ladies of Austin.—Read and adopted, 38.

By Senator Conner: Amendment to Senate Rules, 38.—Read and postponed, 39.—Taken up, 96.—Taken up and laid on table subject to call, 97.

By Senator Hudspeth: Providing for page to answer telephone.—Read and adopted, 39.

By Senator Westbrook: Giving notice of resignation of C. A. Duff.—Read and adopted, 40.

By Senator Terrell: Relating to President Pro Tem.—Read and referred to committee, 94.—Report of committee, 101.

By Senator Collins: Providing for Manual for Senator Townsend.—Read and adopted, 94.

By Senator McNealus: Extending courtesies to Hon. M. M. Brooks.—Read and adopted, 96.

By Senator Gibson: Providing for adjournment on account of reception by ladies of Austin, to be held in Senate Chamber, 100.—Refused to take up, 103.

By Senator Wiley: Directing Superintendent of Public Buildings and Grounds to place Senate committee rooms in order by time of regular session.—Read and adopted, 102.

By Senator McGregor: Indorsing position of Hon. Jas. A. Reed, United States Senator from Missouri, as to penalties of violators of trust laws.—Read and adopted, 109.

By Senator Brelsford: Indorsing movement by bankers in handling cotton situation.—Read and adopted, 115.

By Senator Watson: Providing for making S. B. No. 7 special order.—Read and adopted, 118.

By Senator Bailey of Harris et al.: Granting Capt. E. I. Kellie, Doorkeeper, leave of absence.—Read and adopted, 125.

By Senator Hudspeth: Providing for private lockers in cloak room.—Read and adopted, 125.

By Senator Wiley: Relating to the cotton acreage reduction.—Read and tabled, 126, 127.

By Senator Henderson: Endorsing proposition of Congress to issue bonds for purpose of buying cotton.—Read and adopted, 126.

By Senator Warren: Extending courtesies to ex-Lieutenant Governor Geo. T. Jester.—Read and adopted, 127.

By Senator Watson et al.: Extending congratulations to Senator Mc-

Nealus on account of his 64th anniversary.—Read and adopted, 134.

By Senator Warren: Extending courtesies to State Senator Casteel, of Mississippi.—Read and adopted, 136.

By Senator McNealus: Providing for addition to Committee on Public Buildings and Grounds.—Read and adopted, 147.

By Senators Collins and Hudspeth: Relating to action of Southern Congressmen relating to cotton situation.—Read and adopted, 152.

By Senator Willacy: Extending courtesies to ex-Senator Jim Terrell.—Read and adopted, 156.

By Senator McNealus: Providing for executive session.—Read and adopted, 158.

By Senator Collins: Providing for committee to arrange for post-session clerical work.—Read and adopted, 163.—Committee appointed, 163.—Report of committee, 164.

By Senator Taylor et al.: Extending thanks to Senator Hudspeth as presiding officer.—Read and adopted, 163.

By Senator Watson: Providing for printing of messages from the Governor.—Read and adopted, 165.

By Senator Wiley: Providing for distribution of Governor's messages.—Read and adopted, 172.

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1. The "Bank of Texas" Bill.—Report from House of failure to engross same, 107.

4. Providing for divorcement of cotton oil mills and cotton gins, 123.—Reported favorably, 124.—Chair held that it was pending business, 127.—Refused to take up, and held that the bill was still before the committee, 136, 137.—Reported, favorable majority, adverse minority, 144, 149.—Motion by Senator Watson, 161.—Taken up, pending, 162.

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